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1. Preamble and Applicability

1.1 Preamble

Through its Transmission Owner (TO) Tariff, PG&E makes transmission service available to Wholesale Customers through the ISO. On occasion, an Eligible Customer who has transmission service under the TO Tariff, or has an equivalent arrangement with the ISO, may require Distribution Service.

The Distribution Provider will provide Distribution Service to loads pursuant to the applicable terms and conditions of this Tariff. Distribution Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

1.2 Applicability

Distribution Service is available to wholesale entities taking transmission service through the ISO to:

- new Distribution Customers which request Distribution Service; and
- existing Distribution Customers which request new Distribution Service or service to additional Point(s) of Receipt or Delivery.

The provisions of this Tariff are designed with the presumption that the Eligible Customer is operating with the ISO.
model. Specifically, that assumes that the required ancillary services, if any, are provided by, or through the Eligible Customer's arrangements with the ISO and PX, and transmission services has been separately and satisfactorily arranged.

The Distribution Provider will provide Distribution Service pursuant to the applicable terms and conditions contained in this Tariff and Service Agreement. The Tariff is applicable for the transportation of capacity and energy that is 1) generated or purchased by a Distribution Customer at a generation source and transported to the ISO Grid using the Distribution Provider's Distribution System, or 2) generated or purchased by a Distribution Customer from generation sources and transported from the ISO Grid to the Distribution Customer's Service Area using the Distribution Provider's Distribution System. The Tariff is also applicable for delivery to the ISO Grid of any capacity and energy generated or purchased by the Distribution Provider that uses the Distribution Provider's Distribution System. Distribution Service shall be provided between the Distribution Provider's interconnection with the ISO Grid and the Distribution Customer's interconnection with the Distribution Provider's Distribution System. The Distribution Customer shall obtain and pay for Transmission Service from the ISO for such energy and capacity delivered to the ISO Grid or for energy and
capacity received from the ISO Grid pursuant to the terms and conditions of the ISO Tariff and the TO Tariff. Service hereunder shall not be available if the Commission would be prohibited from ordering such service under Section 212(h) of the Federal Power Act.

NOTE: An existing retail customer who becomes a Direct Access customer is not a wholesale customer and is not eligible for service under this Tariff, and must seek service under the applicable CPUC service. The Tariff is applicable for the delivery of generation of the Distribution Customer or the Distribution Provider to the ISO Grid using the Distribution Provider's Distribution System.

2. Definitions

2.1 Application: A request by an Eligible Customer for Distribution Service pursuant to the provisions of this Tariff.

2.2 CIAC: Contribution In-Aid-Of-Construction is all property, including money, received by PG&E from an Eligible Customer to provide for the installation, improvement, replacement, or expansion of PG&E facilities.

2.3 Commission: The Federal Energy Regulatory Commission.
2.4 **Completed Application:** An Application that satisfies all of the information and other requirements of this Tariff, including any required deposit.

2.5 **Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
4. provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

2.6 **CPUC:** The California Public Utilities Commission.

2.7 **Curtailment:** A reduction in Distribution Service in response to a capacity shortage as a result of system reliability conditions.
2.8 **Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

2.9 **Delivery Voltage:** The voltage at which the electric power is delivered by PG&E to the wholesale Distribution Customer. Delivery to one specified point constitutes one rendering of Distribution Service.

2.10 **Designated Agent:** Any entity that performs actions or functions on behalf of the Distribution Provider, an Eligible Customer, or the Distribution Customer required under this Tariff.

2.11 **Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Distribution Provider for the sole use/benefit of a particular Distribution Customer requesting service under this Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Distribution Customer.

2.12 **Distribution Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Distribution Provider file with the Commission, a proposed unexecuted Service Agreement to receive service under this Tariff.
2.13 Distribution Facilities: Electrical equipment consisting of poles, conduit, splice boxes, conductors and devices, operating at less than 50 kV, used for distributing electrical energy. EXCEPTION: Those transmission facilities (50 kV and above) which radially supply end-use customers at transmission voltages shall also be considered Distribution Facilities for purposes of this Tariff, as ordered by the Commission in its October 30, 1996 order in Docket No. EL96-48-000.

2.14 Distribution Provider: Pacific Gas & Electric Company ("PG&E") or its Designated Agent, that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides Distribution Service under this Tariff.

2.15 Distribution Service: The transporting of electric power over and through various PG&E facilities for delivery to a Distribution Customer. The Distribution Service provided under this Tariff is the distribution of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery under this Tariff.

2.16 Eligible Customer: Any electric utility (including the Distribution Provider or any power marketer) or any
person generating electric energy for sale for resale is an Eligible Customer under this Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to Distribution Service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Distribution Provider offer the Distribution Service, or pursuant to a voluntary offer of such service by the Distribution Provider.

2.17 Facilities Study: An engineering study conducted by the Distribution Provider to determine the required modifications to the Distribution Provider's Distribution Facilities, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Distribution Service.

2.18 Generation: The capacity and output of any generating facility connected to the distribution system that can deliver energy to the ISO.

2.19 Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant
portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

2.20 ISO: The Independent System Operator ordered by the CPUC and approved by the Commission to operate the interconnected transmission system in California.

2.21 ITCC: (Income Tax Component of Contributions) This is the Federal and State tax PG&E pays on income received as a CIAC.

2.22 KVAR Demand: The reactive power electrical demand determined for each 30-minute interval, measured in kilovars (KVARS), as having been delivered and integrated. If the load is intermittent or subject to wide fluctuation, a 5-minute interval may be used.
2.23 kW Demand: The real power electrical demand for each 30-minute interval, measured in kilowatts (kWs) as having been delivered and integrated. If the load is intermittent or subject to wide fluctuation, a 5-minute interval may be used.

2.24 Load Ratio Share: Ratio of a Distribution Customer's load to the Distribution Provider's total load on specific facilities over a 12-month period.

2.25 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

2.26 Native Load Customers: The wholesale and retail power customers of the Distribution Provider on whose behalf the Distribution Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Distribution Provider's system to meet the reliable electric needs of such customers.

2.27 Parties: The Distribution Provider and the Distribution Customer receiving service under this Tariff.

2.28 Point(s) of Delivery: Point(s) on the Distribution
Provider's Distribution System where capacity and energy transmitted by the Distribution Provider will be made available to the Receiving Party under this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Distribution Service.

2.29 **Point(s) of Receipt:** Point(s) of interconnection on the Distribution Provider's Distribution System where capacity and energy will be made available to the Distribution Provider by the Delivering Party under this Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Distribution Service.

2.30 **Distribution Service:** The distribution of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery under this Tariff.

2.31 **Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under this Tariff.

2.32 **Receiving Party:** The entity receiving the capacity and energy transmitted by the Distribution Provider to Point(s) of Delivery.

2.33 **Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users
and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

2.34 **Reserved Capacity:** The maximum amount of capacity and energy that the Distribution Provider agrees to transmit for the Distribution Customer over the Distribution Provider's Distribution System between the Point(s) of Receipt and the Point(s) of Delivery under this Tariff. Reserved Capacity shall be expressed to the nearest tenth of a megawatt on a thirty (30) minute interval (commencing on the clock hour and half-hour) basis.

2.35 **Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Distribution Customer and the Distribution Provider for service under this Tariff. See Attachment A to this Tariff.

2.36 **Service Commencement Date:** The date the Distribution Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Distribution Provider begins to provide service in accordance with Section 13.3 under this Tariff.
2.37 **System Impact Study:** An assessment by the Distribution Provider of (i) the adequacy of the Distribution Facilities to accommodate a request for Distribution Service and (ii) whether any additional costs may be incurred in order to provide Distribution Service.

2.38 **Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser.

2.39 **Transmission System:** The facilities owned by the Distribution Provider and controlled by the ISO that are used to provide transmission service under the ISO Tariff.

3. **Ancillary Services**

Ancillary Services are needed with all transmission service to maintain reliability within the ISO Grid and the Distribution System. Ancillary Services are not available in or through this Tariff. The Distribution Service offered in this Tariff is conditioned on the Distribution Customer having obtained Ancillary Services pursuant to the ISO Tariff, which includes self-provision.

4. **(Not Used)**

4.1 **(Not Used)**

4.2 **(Not Used)**
5. Billing and Payment

5.1 Billing Procedure: Within a reasonable time after the first day of each month, or at some other mutually agreeable time, the Distribution Provider shall submit an invoice to the Distribution Customer for the charges for all services furnished under this Tariff during the preceding month. The invoice shall be paid by the Distribution Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Distribution Provider, or by wire transfer to a bank named by the Distribution Provider.

5.2 Interest on Unpaid Balances: Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. ' 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Distribution Provider.
5.3 **Customer Default:** In the event the Distribution Customer fails, for any reason other than a billing dispute as described below, to make payment to the Distribution Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Distribution Provider notifies the Distribution Customer to cure such failure, a default by the Distribution Customer shall be deemed to exist. Upon the occurrence of a default, the Distribution Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Distribution Provider and the Distribution Customer, the Distribution Provider will continue to provide service under the Service Agreement as long as the Distribution Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Distribution Customer fails to meet these two requirements for continuation of service, then the Distribution Provider
may provide notice to the Distribution Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

5.4 (Not Used)

6. Regulatory Filings

Nothing contained in this Tariff or any Service Agreement shall be construed as affecting in any way the right of the Distribution Provider to make application unilaterally to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in this Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under this Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7. Uncontrollable Force and Indemnification

7.1 Uncontrollable Force: An Uncontrollable Force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental,
military or lawfully established civilian authorities
nor any other cause beyond the reasonable control of
the Distribution Provider or Distribution Customer
which could not be avoided through the exercise of Good
Utility Practice. Neither the Distribution Provider or
Distribution Customer will be considered in default of
any obligation under this Tariff if prevented from
fulfilling that obligation due to the occurrence of an
Uncontrollable Force.

7.2 Occurrence of Uncontrollable Force: In the event of
the occurrence of an Uncontrollable Force, which
prevents the Distribution Provider or Distribution
Customer from performing any of its obligations under
this Tariff, the affected entity shall (i) if it is the
Distribution Provider, immediately notify the
Distribution Customer in writing of the occurrence of
such Uncontrollable Force and, if it is a Distribution
Customer, immediately notify the Distribution Provider
in writing of the occurrence of such Uncontrollable
Force, (ii) not be entitled to suspend performance of
its obligations under this Tariff in any greater scope
or for any longer duration than is required by the
Uncontrollable Force, (iii) use its best efforts to
mitigate the effects of such Uncontrollable Force, remedy its inability to perform and resume full performance of its obligations hereunder, (iv) in the case of the Distribution Provider, keep the Distribution Customer apprised of such efforts, and in the case of the Distribution Customer, keep the Distribution Provider apprised of such efforts, in each case on a continual basis and (v) provide written notice of the resumption of its performance of its obligations hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the entity involved in such strike, lockout or labor dispute and the requirement that an entity must use its best efforts to mitigate the effects of the Uncontrollable Force and/or remedy its inability to perform and resume full performance of its obligations hereunder shall not apply to strikes, lockouts, or labor disputes.

7.3 Liability for Damages: The Distribution Provider shall not be liable in damages to any Distribution Customer for any losses, damages, claims, liability, costs or expenses (including legal expenses) arising from the
performance or non-performance of its obligations under this Tariff, except to the extent that they result from negligence or intentional wrongdoing on the part of the Distribution Provider.

7.4 Exclusion of Certain Types of Loss: The Distribution Provider shall not be liable to any Distribution Customer under any circumstances for any consequential or indirect financial loss including but not limited to loss of profit, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill except to the extent that it results from negligence or intentional wrongdoing on the part of the Distribution Provider.

7.5 Distribution Customer Indemnity: Each Distribution Customer, to the extent permitted by law, shall indemnify the Distribution Provider and hold it harmless against all losses, damages, claims, liabilities, costs or expenses (including legal expenses) arising from any act or omission of the Distribution Customer except to the extent that they result from the Distribution Provider's default under this Tariff or negligence or intentional wrongdoing on the part of the Distribution Provider or of its
8. Creditworthiness

For the purpose of determining the ability of the Distribution Customer to meet its obligations related to service hereunder, the Distribution Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Distribution Provider may require the Distribution Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Distribution Customer and acceptable to the Distribution Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Distribution Provider against the risk of non-payment. The Distribution Provider will determine on a non-discriminatory basis whether security will be required. Absent a material adverse change in the creditworthiness of the Distribution Customer, security will not be required where the Distribution Customer has previously established its creditworthiness pursuant to a tariff, rate schedule, or service contract for service provided by the
Distribution Provider, and has not defaulted on its obligation under that applicable tariff or rate schedule.

9. **Dispute Resolution Procedures**

9.1 **Internal Dispute Resolution Procedures:** Any dispute between a Distribution Customer and the Distribution Provider involving Distribution Service under this Tariff (excluding applications for rate changes or other changes to this Tariff, or to any Service Agreement entered into under this Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Distribution Provider and a senior representative of the Distribution Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

9.2 **External Arbitration Procedures:** Any arbitration initiated under the Tariff shall be conducted before a
single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission, distribution and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. Where a dispute involves facts and issues that are the subject of a dispute pending under the ISO Tariff or the TO Tariff ADR Procedures, the dispute may be consolidated with
the other pending proceeding(s) by the agreement of the parties to the dispute, which agreement shall not be unreasonably withheld.

9.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The arbitration decision shall be based on (i) the evidence in the record, (ii) the terms of the WDT, (iii) applicable United States federal law, including the FPA and any applicable FERC regulations and decisions, and international treaties or agreements as applicable, and (iv) applicable state law. The decision of the arbitrator(s) may be appealed solely on the grounds set forth in California Law. The final decision of the arbitrator must also be filed with the
Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

9.4 Costs: Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

(A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

(B) one half the cost of the single arbitrator jointly chosen by the Parties.

9.5 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

10. Governing Law

Except as otherwise provided by federal law, this Tariff shall be governed by and construed in accordance with, the laws of the state of California.

11. PG&E's Distribution System

The distribution system broadly consists of the stepdown substations, the primary distribution circuits, and the secondary distribution system. The secondary distribution system consists
of the line transformers that step the primary voltage down to a secondary voltage, and the secondary conductors. The provisions of this Tariff applies to service on this distribution system.

12. Nature of Distribution Service

12.1 (Not Used)

12.2 Term: The minimum term of Distribution Service shall be one day and the maximum term shall be specified in the Service Agreement.

12.3 Reservation Priority: Distribution Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Distribution Customer has reserved service. Reservations for Distribution Service will be conditional based upon the length of the requested transaction. If the Distribution Provider's Distribution Facilities become oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available capability is insufficient to satisfy all Applications, an Eligible Customer with a
reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Distribution Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours from being notified by the Distribution Provider of a longer-term competing request for Distribution Service. After the conditional reservation deadline, service will commence pursuant to the terms of this Tariff.

12.4 (Not Used)

12.5 Service Agreements: The Distribution Provider shall offer a standard form Distribution Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Distribution Service. Executed Service Agreements that contain the information required under this Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

12.6 Distribution Customer Obligations for Facility Additions or Redispatch Costs: In cases where the Distribution Provider determines that its Distribution
Facilities are not capable of providing Distribution Service without (1) degrading or impairing the reliability of service to Native Load Customers, or other Distribution Customers taking Distribution Service, or (2) interfering with the Distribution Provider's ability to meet prior firm contractual commitments to others, the Distribution Provider will be obligated to expand or upgrade its Distribution Facilities pursuant to the terms of Section 13.4. The Distribution Customer must agree to compensate the Distribution Provider for any necessary distribution facility additions pursuant to the terms of Section 23. To the extent the Distribution Provider can relieve any system constraint more economically by redispatching (i.e., distribution switching or load transfers) the Distribution Provider's resources than through constructing upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Distribution Provider pursuant to the terms of Section 21. Any redispatch, upgrade or Direct Assignment Facilities costs to be charged to the Distribution Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to
initiating service.

12.7 Load Shedding and Curtailment of Distribution Service:

In the event that a Curtailment on the Distribution Provider's system, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Distribution Provider will curtail service to Distribution Customers taking Distribution Service on a basis comparable to the curtailment of service to the Distribution Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis. When the Distribution Provider determines that an electrical emergency exists on its Transmission or Distribution Systems and implements emergency procedures to curtail Distribution Service, the Distribution Customer shall make the required reductions upon request of the Distribution Provider. However, the Distribution Provider reserves the right to curtail, in whole or in part, any Distribution Service provided under this Tariff when,
in the Distribution Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission or Distribution Systems. The Distribution Provider will notify all affected Distribution Customers in a timely manner of any scheduled Curtailments.

12.7.1 (Not Used)
12.7.2 (Not Used)
12.7.3 (Not Used)
12.7.4 (Not Used)
12.7.5 (Not Used)
12.7.6 (Not Used)

12.8 Classification of Distribution Service:

(a) The Distribution Customer taking Distribution Service may request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 19.

(b) The Distribution Customer may purchase Distribution Service to make sales of capacity and energy from multiple generating units that are on the Distribution Provider's Transmission System. For such a purchase of Distribution Service, the high voltage bus of the distribution substation
will be designated as the Point of Receipt for purposes of this Tariff. If there are multiple generating units connected to the Distribution System, the resources will be designated as multiple Points of Receipt unless the multiple generating units are the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Distribution Provider shall provide deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which distribution capacity is reserved by the Distribution Customer shall be set forth in the Distribution Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Distribution Customer's Reserved Capacity. The Distribution Customer will be billed for its Reserved Capacity under the terms of Schedule WD-1. The
Distribution Customer may not exceed its reserved capacity at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 19. The Distribution Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Distribution Customer (including Third-Party Sales by the Distribution Provider) exceeds its reserved capacity at any Point of Receipt or Point of Delivery. However, during the transition period, the Distribution Provider will sell into the PX, and there will be no Third Party Sales by the Distribution Provider.

12.9 (Not Used)

12.10 Self Provision of Ancillary Services: Nothing in this Tariff is intended to limit a Distribution Customer in the self provision or sale of Ancillary Services, to the extent the Distribution Customer is eligible to self provide or sell Ancillary Services under the terms of the ISO Tariff or contracts, except when emergency conditions preclude such provision of ancillary services. Except to the extent that a Distribution Customer may be called upon to provide reactive power
support consistent with the operations of the Distribution Provider, a Distribution Customer must maintain power factor at the interface between the Distribution Customer’s facilities and the Distribution Provider’s facilities pursuant to Section 18.4.

12.11 **Conflict With ISO Tariff:** If a Distribution Customer identifies a conflict between this Tariff and the ISO Tariff, the Distribution Provider and the Distribution Customer shall make good-faith efforts to resolve the conflict. If the Parties are unable to informally resolve the conflict, the Parties may use the Dispute Resolution Procedures set forth in Section 9 of this Tariff.

12.12 **Conflicting Operating Instructions:** In the event a Distribution Customer receives conflicting operating instructions from the ISO, one or more Participating TO(s), or the Distribution Provider, and, if human safety would not knowingly be jeopardized nor electric facilities subject to damage while the Distribution Customer seeks to reconcile the conflict with the appropriate ISO, Participating TO and/or Distribution Provider employees before acting, the Distribution Customer should attempt a reconciliation. Otherwise,
the Distribution Customer shall adhere to ISO Tariff provision 2.3.1.2 and follow the ISO’s instructions. In no event shall a Distribution Customer be required to follow operating instructions from the ISO if following those instructions would knowingly jeopardize human safety.

12.13 (Not Used)

12.14 (Not Used)

13. Service Availability

13.1 General Conditions: The Distribution Provider will provide Distribution Service over, on or across its Distribution Facilities to any Distribution Customer that has met the requirements of Section 14.

13.2 Determination of Available Distribution Capability: A description of the Distribution Provider's specific methodology for assessing available distribution capability is contained in Attachment B to this Tariff. In the event sufficient distribution capability may not exist to accommodate a service request, the Distribution Provider will respond by performing a System Impact Study.

13.3 Initiating Service in the Absence of an Executed Service Agreement: If the Distribution Provider and
the Distribution Customer requesting Distribution
Service cannot agree on all the terms and conditions of
the Distribution Service Agreement, the Distribution
Provider shall file with the Commission, within thirty
(30) days after the date the Distribution Customer
provides written notification directing the
Distribution Provider to file, an unexecuted
Distribution Service Agreement containing terms and
conditions deemed appropriate by the Distribution
Provider for such requested Distribution Service. The
Distribution Provider shall commence providing
Distribution Service subject to the Distribution
Customer's agreeing to (i) compensate the Distribution
Provider at whatever rate the Commission ultimately
determines to be just and reasonable, and (ii) comply
with the terms and conditions of this Tariff, including
posting appropriate security deposits in accordance
with the terms of Section 15.3.

13.4 Obligation to Provide Distribution Service that
Requires Expansion or Modification of the Distribution
System: If the Distribution Provider determines that
it cannot accommodate a Completed Application for
Distribution Service because of insufficient capability
on its Transmission System or Distribution Facilities, the Distribution Provider will use due diligence to expand or modify its Distribution System to provide the requested Distribution Service, provided the Distribution Customer agrees to compensate the Distribution Provider for such costs pursuant to the terms of Section 23. The Distribution Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Distribution Provider has the right to expand or modify.

13.5 (Not Used)

13.6 (Not Used)

13.7 Deferral of Service: The Distribution Provider may defer providing service until it completes construction of new transmission facilities or Distribution Facilities or upgrades to existing facilities needed to provide Distribution Service whenever the Distribution Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing services.

13.8 Other Distribution Service Schedules: Eligible
Customers receiving distribution service under other agreements on file with the Commission may continue to receive distribution service under those agreements until such time as those agreements may be modified by the Commission.

**13.9 Real Power Losses:** Real Power Losses are associated with all distribution service. The Distribution Provider is not obligated to provide Real Power Losses. The Distribution Customer is responsible for replacing losses associated with all Distribution Service as calculated by the Distribution Provider. Real Power Losses associated with Distribution Service are calculated by multiplying the metered quantity, whether energy or demand, by the Real Power Loss Factor calculated by the Distribution Provider. The applicable Real Power Loss Factors for Distribution Service over the Distribution System will be set forth in the Service Agreement.

**14. Distribution Customer Responsibilities**

**14.1 Conditions Required of Distribution Customers:**

Distribution Service shall be provided by the Distribution Provider only if the following conditions are satisfied by the Distribution Customer:
a. The Distribution Customer has pending a Completed Application for service;

b. The Distribution Customer meets the creditworthiness criteria set forth in Section 8;

c. The Distribution Customer will have arrangements in place for any other transmission service and ancillary services necessary to effect the delivery from the generating source to the Distribution Provider prior to the time service under this Tariff commences;

d. The Distribution Customer agrees to pay for any facilities constructed and chargeable to such Distribution Customer under this Tariff, whether or not the Distribution Customer takes service for the full term of its reservation; and

e. The Distribution Customer has executed a Distribution Service Agreement or has agreed to receive service pursuant to Section 13.3.

14.2 Distribution Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Distribution Customer requesting
service. The Distribution Customer shall provide, unless waived by the Distribution Provider, notification to the Distribution Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Distribution Provider pursuant to this Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Distribution Provider will undertake reasonable efforts to assist the Distribution Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

15. Procedures for Arranging Distribution Service

Interconnection: An Eligible Customer requesting interconnection of a Wholesale Distribution Load to the Distribution Provider’s Distribution System shall follow the procedures set forth in Section 15.1 to request interconnection and Distribution Service. An Eligible Customer requesting interconnection of a generating facility no larger than 20 MW to the Distribution Provider’s Distribution System shall follow the Small Generator
Interconnection Procedures (SGIP) set forth in Attachment F to request interconnection at the same time the Distribution Provider shall process such requests concurrently in accordance with the SGIP.

15.1 Application: A request for Distribution Service must contain a written Application to: Pacific Gas and Electric Company, Manager, Electric Transmission Services, P.O. Box 77000, San Francisco, CA 94177 or telefax number (415) 973-9174, at least sixty (60) days in advance of the calendar month in which service is to commence. The Distribution Provider will consider requests for such service on shorter notice when feasible. Requests for Distribution Service for
periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties. A Completed Application may be submitted by transmitting the required information to the Distribution Provider by telefax. These methods will provide a date-stamped record for establishing the priority of the Application. The Distribution Provider shall treat all information provided by the Eligible Customer consistent with the standards of conduct contained in Part 37 of the Commission's regulations. The Distribution Provider may provide for an abbreviated Application procedure and may waive the requirement for a deposit when an Eligible Customer requests that an existing distribution service be converted to Distribution Service under this Tariff.

15.2 Completed Application: A Completed Application shall provide all applicable information required to evaluate a request for Distribution Service including but not limited to the following:

(i) The identity, address, telephone number and facsimile number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Distribution Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements;

(v) A description of the supply characteristics of the capacity and energy to be delivered (For Generation, include unit size(s) and capacities, along with operating restrictions and maintenance schedules.);

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Distribution Service; and

(viii) The distribution capacity requested for each Point of Receipt and each Point of Delivery on the Distribution Provider's Distribution System.

The Distribution Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

15.3 Deposit: A Completed Application for Distribution Service also shall include a deposit of approximately
one month's charge for Distribution Service. Distribution Service to Wholesale Distribution Loads and Resources that have, prior to the effective date of this Tariff, received wholesale service over distribution facilities subject to this Tariff shall be exempted from tariff provisions requiring submission of deposits prior to receipt of service. This exemption shall not apply, however, to the extent that the Wholesale Distribution Loads and Resources whose service is to be continued require new or additional service. If the Application is rejected by the Distribution Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Distribution Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Distribution Provider if the Distribution Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the
Eligible Customer decides not to enter into a Service Agreement for Distribution Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Distribution Provider to the extent such costs have not already been recovered by the Distribution Provider from the Eligible Customer. The Distribution Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 16, Additional Study Procedures for Distribution Service Requests. If a Service Agreement for Distribution Service is executed, the deposit, with interest, will be returned to the Distribution Customer upon expiration or termination of the Service Agreement for Distribution Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR ' 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Distribution Provider's account.

15.4 Notice of Deficient Application: If an Application
fails to meet the requirements of this Tariff, the Distribution Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Distribution Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Distribution Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of this Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

15.5 Response to a Completed Application: Following receipt of a Completed Application for Distribution Service, the Distribution Provider shall make a determination of available distribution capability as required in Section 13.2, Determination of Available Distribution Capability. The Distribution Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to
provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 15. Responses by the Distribution Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

15.6 Execution of Service Agreement: Whenever the Distribution Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 15 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 13.3, within fifteen (15) days after it is tendered by the Distribution Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing
herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

15.7 Extensions for Commencement of Service: The Distribution Customer can obtain up to five (5) one-year extensions for the commencement of service. The Distribution Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Distribution Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Distribution Service, and such request can be satisfied only by releasing all or part of the Distribution Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Distribution Customer agrees to pay the distribution rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Distribution Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

16. Additional Study Procedures For Distribution Service
Requests

16.1 Notice of Need for System Impact Study: After receiving a request for service, the Distribution Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Distribution Provider's methodology for completing a System Impact Study is provided in Attachment C. If the Distribution Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Distribution Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Distribution Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Distribution Provider within fifteen (15) days. Alternatively, if the Eligible Customer requests the Distribution Provider to proceed with the System Impact Study and commits to abide by the terms, conditions,
and cost assignments ultimately determined under the Dispute Resolution Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the System Impact Study, and the parties shall submit the disputed terms for resolution under the Dispute Resolution Procedures. If the Eligible Customer elects not to execute the System Impact Study Agreement and does not request a study, its application shall be deemed withdrawn and its deposit, pursuant to Section 15.3, Deposit, shall be returned with interest.

16.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the Distribution Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Distribution Provider shall rely, to the extent reasonably practicable, on existing studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be
responsible for charges associated with any modifications to existing studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Distribution Provider's Facilities.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study should be sufficient for the Distribution Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) Accounting for the Distribution Provider’s Study Costs and Revenues: The Distribution Provider shall include in a separate transmission or distribution operating expense account or subaccount, as appropriate, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Distribution Provider conducts to determine if it must construct Distribution System facilities or upgrades necessary for its own uses under this Tariff, including making third-party
sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Distribution Customer’s billing under the Tariff.

16.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Distribution Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any distribution system constraints and redispatch options, additional Direct Assignment Facilities or upgrades required to provide the requested service. In the event that the Distribution Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Distribution
Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Distribution Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Distribution Facilities will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new Distribution Facilities or upgrades to existing facilities. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 13.3, or the Application shall be deemed terminated and withdrawn.

16.4 **Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Distribution Facilities are needed to supply the Eligible Customer's service request, the Distribution Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which
the Eligible Customer shall agree to reimburse the Distribution Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Distribution Provider within fifteen (15) days. Alternatively, if the Eligible Customer requests the Distribution Provider to proceed with the Facilities Study and commits to abide by the terms, conditions, and cost assignments ultimately determined under the Dispute Resolution Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Distribution Provider shall promptly proceed with the Facilities Study, and the parties shall submit the disputed terms for resolution under the Dispute Resolution Procedures. If the Eligible Customer elects not to execute the Facilities Study Agreement and does not request a study, its application shall be deemed withdrawn and its deposit, pursuant to Section 15.3, Deposit, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Distribution Provider will use due diligence to complete the required
Facilities Study within a sixty (60) day period. If the Distribution Provider is unable to complete the Facilities Study in the allotted time period, the Distribution Provider shall notify the Distribution Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Distribution Customer, (ii) the Distribution Customer's appropriate share of the cost of any required upgrades as determined pursuant to the provisions of this Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Distribution Customer shall provide the Distribution Provider with a letter of credit or other reasonable form of security acceptable to the Distribution Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Distribution Customer shall have thirty (30) days to execute a Service Agreement or request the
filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

16.5 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Distribution Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Distribution Customer pursuant to the provisions of this Tariff.

16.6 (Not Used)

16.7 Due Diligence in Completing New Facilities: The Distribution Provider shall use due diligence to add necessary facilities or upgrade its Distribution Facilities within a reasonable time. The Distribution Provider will not upgrade its existing or planned Distribution System in order to provide the requested
Distribution Service if doing so would impair system reliability or otherwise impair or degrade existing service.

16.8 Partial Interim Service: If the Distribution Provider determines that it will not have adequate distribution capability to satisfy the full amount of a Completed Application for Distribution Service, the Distribution Provider nonetheless shall be obligated to offer and provide the portion of the requested Distribution Service that can be accommodated without addition of any facilities and through redispatch. However, the Distribution Provider shall not be obligated to provide the incremental amount of requested Distribution Service that requires the addition of facilities or upgrades to the Distribution Facilities until such facilities or upgrades have been placed in service.

16.9 Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Distribution Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the
Distribution Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Distribution Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Distribution Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

17. Procedures if The Distribution Provider is Unable to Complete New Distribution Facilities for Distribution Service
17.1 Delays in Construction of New Facilities: If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Distribution Provider shall promptly notify the Distribution Customer. In such circumstances, the Distribution Provider shall within thirty (30) days of notifying the Distribution Customer of such delays, convene a technical meeting with the Distribution Customer to evaluate the alternatives available to the Distribution Customer. The Distribution Provider also shall make available to the Distribution Customer studies and work papers related to the delay, including all information that is in the possession of the Distribution Provider that is reasonably needed by the Distribution Customer to evaluate any alternatives.

17.2 Alternatives to the Original Facility Additions: When the review process of Section 17.1 determines that one or more alternatives exist to the originally planned construction project, the Distribution Provider shall present such alternatives for consideration by the Distribution Customer. If, upon review of any
alternatives, the Distribution Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Distribution Provider to submit a revised Service Agreement for Distribution Service. In the event the Distribution Provider concludes that no reasonable alternative exists and the Distribution Customer disagrees, the Distribution Customer may seek relief under the dispute resolution procedures pursuant to Section 8, Dispute Resolution Procedures, or it may refer the dispute to the Commission for resolution.

17.3 Refund Obligation for Unfinished Facility Additions:

If the Distribution Provider and the Distribution Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of this Tariff, the obligation to provide the requested Distribution Service shall terminate and any deposit made by the Distribution Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Distribution Customer shall be responsible for all prudently incurred costs by the Distribution Provider through the time construction was suspended.
19. Changes in Service Specifications

The distribution system may be highly integrated, particularly in densely populated areas, such that rerouting of power may occur annually, or even seasonally, usually in order to maximize the efficiency of the Distribution System. The delivery of power to the Distribution Customer is designed so that the rerouting is transparent to the Distribution Customer. As a result, the Distribution Provider may elect a different path to supply the Distribution Customer after service is established without any notice requirements, although the specified Point of Delivery is not changed.

Any request by a Distribution Customer to modify Receipt and Delivery Points shall be treated as a new request for service in accordance with Section 15, Procedures for Arranging Distribution Service, thereof, except that such Distribution Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Distribution Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

20. Metering and Power Factor Correction at the Point of Receipt or Point of Delivery
20.1 Distribution Provider Obligations: As it pertains to loads, and unless otherwise agreed, the Distribution Provider shall be responsible for installing and maintaining revenue meters and communications equipment at each Point of Delivery to account for the capacity and energy being transmitted under this Tariff and to communicate the information to the Distribution Provider. Such equipment shall remain the property of the Distribution Provider. The revenue meter shall record real and reactive power delivered to the Distribution Customer each half-hour on an integrated demand basis. The meters shall be capable of measuring flows both "in" and "out" shall be designed to prevent reverse registration, and shall measure and continuously record such deliveries. Current metering is solid state (Quad 4+) with telephone access, and may change from time to time. As it pertains to Generation, metering and other requirements are listed in the PG&E Interconnection Handbook or its successor.

20.2 Distribution Customer Access to Metering Data: The Distribution Customer shall have access to metering data, and shall have reasonable access to install any
recording devices or telemetering equipment it may require connected to the Distribution Provider's revenue meter.

20.3 Distribution Customer Obligations: The Distribution Customer shall provide mounting devices, structures, and enclosures, as specified by the Distribution Provider for such metering. The Distribution Customer shall grant the Distribution Provider such access to facilities as may be required for proper operation and maintenance of all revenue metering equipment.

20.4 Power Factor: Unless otherwise agreed, the Distribution Customer is required to maintain a power factor within the same range as the Distribution Provider in the same area pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

20.5 (Not Used)

21. Compensation for Distribution Service

Rates for Distribution Service are provided in the Schedule WD-1 appended to this Tariff.

Rates for Distribution Service associated with Generation will be determined from any Direct Assignment Facilities and any distribution system upgrades required to provide service pursuant
to Section 16. This applies to those facilities required to transport Generation output to the ISO grid. For Direct Assignment Facilities and distribution system upgrade facilities, the annual revenue requirement will be determined from the current test year to the extent possible pursuant to applicable Commission regulations, for the cost of such facilities. The monthly charge shall be established by dividing that amount by twelve (12) months.

For use of existing Distribution Facilities that are not a part of direct assignment or distribution system upgrades, no charges will be assessed.

21.1 (Not Used)

21.2 (Not Used)

21.2.1 (Not Used)

21.2.2 (Not Used)

22. Stranded Cost Recovery

The Distribution Provider may seek to recover stranded costs from the Distribution Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888 and FERC Order No. 888-A. However, the Distribution Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

23. Compensation for New Facilities and Redispatch Costs
Whenever a System Impact Study performed by the Distribution Provider in connection with the provision of Distribution Service identifies the need for new facilities, the Distribution Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Distribution Provider identifies capacity constraints that may be relieved more economically by redispatching the Distribution Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Distribution Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

24. Standards of Conduct

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities) and will be followed to the extent applicable.
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Distribution Service

The Distribution Customer shall compensate the Distribution Provider each month for Reserved Capacity, based on actual use, at the sum of the applicable charges set forth below.

Nothing contained herein shall be construed as affecting in any way the respective rights of the Distribution Provider or the Distribution Customer under this Schedule WD-1 unilaterally to make application to the Commission for a change in rates, charges or rate methodologies pursuant to the various sections of this Tariff. The rates and methods for calculating payments due in this Schedule WD-1 shall remain in effect and unchanged until the earlier of: (a) the Commission accepting a Distribution Provider or Distribution Customer filing to supersede those rates and methods for calculating payments due; or (b) the termination of the Service Agreement; and shall not otherwise be subject to change.

The components of the monthly service bill, excluding any System Impact Studies, Facilities Studies or other specified charges, shall include the following components:
Cost Component | Billing Units
--- | ---
1 Customer Service Charge (see Item 1 below) | flat monthly
2 Distribution Service Charge (see Item 2 below) | case specific
3 Cost of Ownership (see Distribution Service Agreement - Exhibit D) | case specific

These Cost Components are described more fully below.

1. CUSTOMER SERVICE CHARGE

A Distribution Customer Service Charge of a fixed amount per month, shall be assessed to reimburse the Distribution Provider for its costs of labor and supervision for billing services which it provides to the Distribution Customer for the specified Service Point of Delivery, including, among other things, accounting for reactive power and distribution facilities usage as provided in this Tariff. An individual special study is required to determine this amount, which is to be the product of the average monthly labor in hours and the estimated hourly rate. The labor required will vary with the specific services required. This amount is to be determined and included in the Service Agreement.

2. DISTRIBUTION SERVICE CHARGE

The Distribution Provider shall charge the Distribution Customer for its use of the Distribution Provider's Distribution
Facilities in accordance with Rate Schedule WD-1 (Wholesale Distribution Service)

This rate is based on the Distribution Customer's use of the serving Distribution Facilities and the applicable system average rate. The billing determinant is determined as Metered Quantities plus applicable Distribution Losses. The monthly charge is calculated as the product of the Distribution Customer's primary distribution rate, and secondary if applicable, and the Distribution Customer's billing determinants for primary and secondary, if applicable, at that location. The billing determinant is to include load plus system average losses.

This rate is based on a Distribution Customer's revenue requirement which is: 1) the product of the Primary Distribution Revenue Requirement and the Distribution Customer's primary distribution load ratio [which is the ratio of the Distribution Customer's maximum primary annual peak demand shown on a coincident peak basis if more than one primary load point, to all retail customer classes' peak demands plus each wholesale customer's peak demand (also shown on a coincident peak basis if more than one load point) to get the customer's load ratio share.] This Distribution Customer revenue requirement is then
divided by the Distribution Customer billing determinants, which includes system average losses, to yield the Distribution Customer's primary distribution rate; plus 2) if applicable, the product of the total Secondary Distribution Revenue Requirement and the Distribution Customer’s secondary distribution load ratio. This ratio is the ratio of the sum of the Distribution Customer’s maximum annual peak demand for each secondary load point to the sum of all retail customers’ peak demands for each secondary load point plus the sum of each Distribution Customer’s peak demand for each secondary load point. This Distribution Customer revenue requirement is then divided by the Distribution Customer billing determinants which includes system average losses, to yield the Distribution Customer’s secondary distribution rate.

For purposes of initially billing the Distribution Customer, the following calculated service rate is used until a later determination of more customer-specific rates can be completed and filed. This determination will be filed at FERC (along with a customer-specific Service Agreement) within 30 days of the date Distribution Service becomes effective. A true-up, with interest calculated pursuant to 18 C.F.R. § 35.19a, will be made between the FERC-accepted customer-specific rate and the generic rate once the rate or rates are accepted by FERC.
For this initial billing, the rates are based on the system average imbedded rates for the primary distribution system. For primary and secondary distribution, the generic rate is $3.69 and $7.00 per kW-month respectively.
Form Of Service Agreement For
Wholesale Distribution Service

1.0 This Service Agreement, dated as of _______________, is entered into, by and between _________________________ (the Distribution Provider), and

______________________________________________________

("Distribution Customer").

2.0 The Distribution Customer has been determined by the Distribution Provider to have a Completed Application for Distribution Service under the Wholesale Distribution Tariff.

3.0 The Distribution Customer has provided to the Distribution Provider an Application deposit in accordance with the provisions of Section 15.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement.
6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Distribution Provider:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Distribution Customer:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: ______________________   _______________    ______________
Name                   Title              Date

Distribution Customer:

By: ______________________   _______________    ______________
Name                 Title              Date
Specifications For Distribution Service

1.0 Term of Transaction: ________________________________
   Start Date: ________________________________________
   Termination Date: _________________________________

2.0 Description of capacity and energy to be transmitted by Distribution Provider including the electric Control Area in which the transaction originates.
   __________________________________________________

3.0 Point(s) of Receipt: _________________________________
   Delivering Party: ___________________________________
   Delivery voltage: ________________________________

4.0 Point(s) of Delivery: ________________________________
   Receiving Party: ___________________________________
   Delivery voltage: ________________________________

5.0 For Generation, the maximum amount of capacity and energy to be transmitted. For load subject to this Service Agreement, the estimated peak load for informational purposes only:
   __________________________________________________

6.0 Name(s) of any Intervening Systems providing transmission service: ________________________________
8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Distribution Charge:

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge:

8.4 Cost of Ownership Charge:

8.5 Customer Service Charge:
Average monthly labor hours for Accounting and Billing is ______ Employee Hours times the Average Hourly rate for labor and supervision is $ ______/Employee Hour equals the Customer Service Charge of $ _______.

9.0 Distribution Customer's Service Data

The Distribution Customer has requested this service to supply their wholesale power requirements as described:

_______________________________ load (load type)

Estimated load is ____ MW monthly peak demand, Summer
Estimated load is ____ MW monthly peak demand, Winter

Include hourly demand profile for the peak Summer day and peak Winter day.
Interconnection Point:

Interconnection to Distribution Customer

From: ________________________________

To: ________________________________

Describe and attach a sketch. Delivery Voltage _______

Delivery Point: if other than to Distribution Customer

Name of Receiving entity ______________________________

Point of Delivery (description) _______________________

Power Factor data: Base PF ____% Corrected PF ____% 
Load Factor: Peak Month, monthly LF. ______% Average annual LF. ________%

Monthly consumption, kWh (@) Peak Demand month ________kwh
Annual consumption, kWh ________kwh

The Distribution Provider's initially required corrected PF (Section _____ of Tariff.)
Peak Load PF ______ % @ Specified Time ________________
Minimum Load PF ____% @ Specified Time _______________

10.0 Limited Waiver

In agreeing to provide Distribution Service under this Distribution Tariff, the Distribution Provider reserves the right to collect competition transition charges (CTCs) for other wholesale loads which may derive in the future from existing retail loads at the Service Point. CTCs shall be collected in the event that, as a result of electric industry restructuring or other changes, a competent regulatory agency or legislative body determines that it is appropriate to promulgate regulations or legislation which entitle the Distribution Provider to collect such charges from the
Distribution Customer and similarly situated customers.

11.0 Facilities Required for Distribution Service

The Distribution Provider agrees to provide Distribution Services via its existing Distribution Facilities, with modification as needed, to supply Distribution Customer's load as specified above. In the event it is necessary to extend the Distribution System, with the new installation of facilities, the following describes installation responsibilities:

11.1 Construction Responsibilities of the Distribution Provider

The Distribution Provider shall install the Distribution Facilities needed to interconnect with the Distribution Customer's facilities at the point of interconnection. These facilities include those required related to the Distribution Customer's project, and only those facilities that, in the Distribution Provider's judgment, will be used within a reasonable time to serve permanent load. Such facilities include the installation of conductors, poles, pole risers, switches, devices, and other distribution facilities required to complete the interconnection.

11.2. Construction Responsibilities of Distribution Customer

The Distribution Customer shall perform or arrange for the performance of the following work required for this project:

- Route clearing, tree trimming, trenching, excavating,
backfilling, and compacting;

- Furnish imported backfill material required and disposal of trench spoil as required;
- Perform necessary surface repair and boring as required;
- Furnish, install, and transfer ownership to the Distribution Provider any substructures, conduits, and protective structures required; and
- Obtain any necessary construction permit for all work performed by Distribution Customer under this Service Agreement.

Description of Distribution Provider-owned Facilities the Distribution Provider is to install, replace, in order to provide the requested Distribution Service:

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Description of Direct Assignment Facilities (if any) ____
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

12.0 Distribution Customer Payments

Distribution Customer shall pay a one-time payment to the
Distribution Provider, on demand and in advance of any construction, equal to the total amount shown in Exhibit A - Cost Summary. This cost consists of the following components as determined in the Exhibits:

- **Installation Charge** --- The Distribution Customer agrees to pay the Distribution Provider's total estimated cost of the facilities to serve the Distribution Customer, less credits, if any, as shown on Exhibit B.

- **ITCC (CIAC) Tax** -- The Distribution Customer must pay the taxes on such contributions, in addition to any other applicable contributions, such as facilities installed by the Distribution Customer, and deeded to the Distribution Provider. The determination of the tax due is shown on Exhibit C and is $________.

- **Future Relocation** -- If future relocation is required, it is not included in these cost determinations. The Distribution Customer is responsible for the cost of relocating the subject facilities herein. The future relocation costs will be determined at the time of relocation and are subject to appropriate regulatory processes.
13.0 Voltage Stability and Interference with Service

Under normal load conditions, the Distribution Provider will deliver sustained voltage as close to the nominal service voltage as is economically practical. Any deviations from the normal voltage levels will be no greater than the service voltage ranges specified in the Distribution Provider's Electric Rule 2 on file with the CPUC. Exceptions to voltage limits are specified also in Electric Rule 2. The Distribution Customer is responsible for planning, designing, operating, and protecting equipment beyond the interconnection point, in such a fashion as to not interfere with service to other customers, as also set forth in Rule 2.

14.0 Power Factor Requirements

14.1 General

Each Eligible Customer must comply with the VAR requirements as specified in the TO Tariff or in their agreement with the ISO. However, in order to meet local distribution operating needs, PG&E may also, consistent with Section 14.2, require that the Distribution Customer maintain specified power factors at peak load and at minimum load. Generally, such power factor may be the same as, but shall not be required to exceed, the power factor PG&E maintains for that particular area. This may require that fixed, and/or switched capacitors, or other power factor correction devices be installed. The power factor target may vary from time to time as
area conditions change. PG&E shall provide information to the Eligible Customer about the required power factors and shall include that information in this Service Agreement.

14.2 Power Factor Maintenance and Future Changes in Target Power Factor

Due to changes in system requirements, the necessary power factor may change from time to time. Upon changes in that required power factor after service is established, PG&E shall provide written notice to the Distribution Customer, and provide ample lead time for corrective action by the Distribution Customer to the extent the need for corrective devices is caused by general system requirements or by said Distribution Customer. In the event that the need for correction devices is caused by other customers, a Distribution Customer need not maintain the power factors at the Interconnection Point, as specified by PG&E, at the Distribution Customer's expense, but PG&E may, at its option, install the necessary distribution capacitors or other power factor correction devices. Costs and payments for such devices will, to the extent applicable, be directly assigned to the Distribution Customer whose load caused the need for the correction devices.

In no event shall a wholesale Distribution Customer be responsible for their reactive requirements (VARS) through the TO Tariff or their ISO agreement and in addition incur responsibility
for local distribution power factor correction for the same reactive (VAR) requirements. If local power factor correction is installed at Distribution Customer expense, such reactive support shall be credited to the Distribution Customer's meter readings. (Note: if such installation is on the Distribution Customer's side of the revenue meters, the meter readings already incorporate the correction.)

However, if installation of capacitors is required to correct voltage conditions caused by the Distribution Customer, such installation shall be at the Distribution Customer's expense in accordance with terms of this Tariff, regardless of any other reactive provisions. Such installations may serve to reduce the Distribution Customer's reactive requirements through the ISO.

14.3 Power Factor

The Distribution Provider shall specify a power factor within a bandwidth of 0.95 lagging to 0.95 leading (or, in appropriate circumstances, a less-restrictive bandwidth), and the Distribution Customer will operate at the specified power factor within the following tolerances:
Peak Hours, 12:00 PM to 6:00 PM: ± 0.01

Off-Peak Hours, 6:01 PM to 11:59 AM: ±0.02

In extraordinary circumstances, a more restrictive bandwidth may be specified. A Distribution Customer must, subject to Sections 14.1 and 14.2, maintain at all times the required power factor, except to the extent required to provide reactive power support in accordance with Section 12.10, **Self Provision of Ancillary Services**, of the Tariff. The power factor for the Distribution Customer is _______. 
Distribution Service Agreement

Exhibit A - Cost Summary

Distribution Customer

Project Name and Location

The total Advance Payment required for the above project prior to start of construction is as follows:

- **Installation Charge**
  (From Exhibit B - Installation Charge) $___________

- **ITCC Tax**
  (From Exhibit C - ITCC Tax) $___________

- **Total**
  (Sum of Installation Charge and ITCC Tax) $___________

In addition, an on-going monthly cost of ownership payment for facilities relevant to this project is required. The payment will be due monthly and included in the monthly billing for Distribution Service.

- **Monthly Cost of Ownership**
  (From Exhibit D - Cost of Ownership) $_______/Month
Distribution Service Agreement

Exhibit B - Installation Charge

The following is the Distribution Provider's site-specific estimate (Gross Financial Costs -- labor, material, indirect and overhead cost components) for the facilities required to provide Distribution Service to the above project. It excludes any work on the Distribution Provider's facilities which is done for the convenience of the Distribution Provider, such as work to accommodate future system expansion, or capacity increases.

Description of facilities to be installed:

1. **Distribution System Capacity Increases**
   (reconductoring, equipment replacement, rearrangements, to accommodate Distribution Customer's initial load)
   $__________

2. **Protection System Modifications**
   (installation and reconfiguration of protective devices)
   $__________

3. **Power Factor Correction**
   (___KVAR of (_) Fixed, (_) Switched Capacitors required to attain ____% Power Factor)
   $__________

4. **Voltage Correction Devices**
   (Installation of regulators, boosters, and capacitors)
   $__________

5. **Primary Extension Estimated Costs**
   (Poles, conductors, other equipment)
   $__________

6. **Revenue Meters**
   (Initial cost to install and the field set up revenue meters, plus the administrative costs of setting up the revenue data retrieval)
   $__________
7. **Telecommunications Facilities**
   (Initial payments to telephone company for the installation of phone lines etc, plus related telecommunications work by the Distribution Provider to establish telecom links. Does not include on-going monthly service charges.) $__________

8. **Total Initial Installation Charge**
   (Sum of 1 through 7) $__________
Distribution
Service Agreement
Exhibit C - ITCC Tax

1. **One-time payment (advance) by Distribution Customer** $_______
   (From Exhibit B - Installation Charge)

2. **Value of trenching and conduits subject to ITCC** $_______
   (Description of facilities)

   ____________________________________________________
   ____________________________________________________
   ____________________________________________________
   ____________________________________________________

3. **Other applicable contributions subject to ITCC** $_______
   (Description)

   ____________________________________________________
   ____________________________________________________
   ____________________________________________________

4. **Total taxable amount** $_______
   (Sum of Items 1 thru 3)

5. **Tax Rate** 34%

6. **Tax Due** Tax Rate (line 5) x Taxable Amount (line 4) = $_______
Distribution
Service Agreement

Exhibit D - Cost of Ownership

The Cost of Ownership is the Distribution Provider's on-going cost liabilities of owning and operating facilities, including such items as maintenance costs, replacement costs (due to age and normal life and deterioration), and ad valorem taxes. The Cost of Ownership is a function of the initial installation costs, and includes facilities installed by the Distribution Provider plus facilities installed by the Distribution Customer or others, if any, that are deeded to the Distribution Provider.

1. **Cost of Facilities Installed by the Distribution Provider**  
   (From line 8 of Exhibit B - Installation Charge)  
   $_______

2. **Cost of Facilities Installed by Distribution Customer or Others and Deeded to the Distribution Provider**  
   (Based on Distribution Customer's Gross Financial installed cost)  
   $_______

3. **Total Cost Basis** (Sum of line 1 and line 2)  
   $_______

4. **Applicable Cost of Ownership Rate**  
   (Rate to be determined at time of request)  
   _____ %

5. **Applicable Monthly Cost of Ownership**  
   (line 3 x line 4)  
   $_______/month
Methodology To Assess Available Distribution Capability

1.0 GENERAL

The Distribution Provider utilizes a general on-going distribution planning process. This process yields a forecast of area-specific loads, and loads on major distribution equipment. Comparison of projected loads and capabilities yields the available capability. A more detailed description is provided to cover the specifics.

2.0 PLANNING CRITERIA

Planning criteria requires consideration of both normal and emergency operation of the distribution system. Planning guidelines provide parameters for standardizing the process to the extent possible:

2.1 Normal Criteria

Area distribution systems are planned to include sufficient transmission input, substation capability, and distribution circuit capability to supply the forecasted loads without overloading any Distribution Facilities or deviating from normal operating conditions.
2.2 Emergency Criteria

Area distribution systems are planned for emergency conditions such as the loss (failure) of a component, so that the remaining Distribution Facilities can supply the load without exceeding their emergency capabilities.

3.0 SELECTION OF DISTRIBUTION STUDY AREAS

To perform distribution studies most effectively and conveniently, the distribution system is divided into study areas. The boundaries for study areas are determined based on natural geographic features, such as rivers or mountains, and electrical boundaries, such as the physical end of the distribution system. Consideration is also given load distribution, growth rate characteristics, primary distribution voltage, and distribution ties between substations. An ideal study area would have uniform load distribution, uniform growth rate, a single primary distribution voltage, strong distribution ties between substations in the study area, and no ties outside the study area.

4.0 LOAD FORECASTING

Load forecasts are prepared for each study area described in Section 3.0 above. Such forecasts are prepared based on historical seasonal peak load growth in the area in combination with forecasted changes in the economy, new incoming industry, or developments, and closures. Efforts involve forecasting magnitude and location of
expected loads as accurately as possible to ensure the adequacy of facilities in the total area as well as locally.

To forecast loads, usually historical load data is used for several years to develop linear load projections using least squares curve fitting. Such projections are adjusted based on anticipated changes in the area to reflect government planning information, customer growth trends, land-use constraints, temperature data, and other relevant factors.

This process is particularly helpful in forecasting area loads. The forecasted loads on individual substation, down to the distribution feeder level, are determined as a continuation of the process except more localized information is of greater value.

5.0 CAPABILITY OF FACILITIES

Load-carrying capability of the various components of the existing distribution system is an integral element of the process. The capability limits for a distribution substation are generally determined by the capability of the transformer banks in the substation. In some cases, the substation capability may be limited instead by the incoming transmission lines or the distribution circuits emanating from the substation to the loads.

The normal capability is determined for each substation transformer, and distribution circuit along with the emergency capability which is much higher. These capabilities are usually
determined by the temperature rise limitations of the transformer and circuit components, and are affected by ambient temperatures as well as loading.

6.0 AVAILABLE CAPABILITY

By comparing equipment forecasted loads, including the Distribution Customer's request, with equipment capability for the season and year in question, the available capability can be determined. If the load forecasts were recently completed, and the forecasted period is in the near future, accuracy of the available capability may be comparatively high. In this case, if the available capability is high in comparison to the Distribution Customer's requested load, one may confidently decide the ability to supply the requested service. On the other hand, if the forecast is old, meaning it is almost time to produce a new analysis, the data used to make the forecast is less than ideal, or if the period in question is in the distant future, then the confidence in the accuracy of the analysis is somewhat diminished. In these cases, a more detailed or updated analysis, may be necessary. This becomes particularly the case if the available capability is also very close to the Distribution Customer's request, and the safety margin is very small.
1.0 GENERAL

Determination of the available capability also effectively identifies limiting factors in supplying forecasted loads. Based on these limitations, and through the use of sound engineering judgment and consideration of economic analysis, corrective plans can be made.

2.0 DEVELOPMENT OF ALTERNATIVE PLANS

With a clear identification of the limiting factors, engineering personnel develop several plans that correct the identified deficiencies and are sufficient for several future planning cycles. Usually the more costly the equipment required, the longer the period the study must cover to provide ample lead time to implement the plans and strive for equivalency among the alternatives. Other factors, such as governmental and regulatory restraints, other agencies plans and requirements, as well as environmental factors, are also taken into account in developing the alternatives.

3.0 ECONOMIC COMPARISON OF ALTERNATIVES AND PLAN SELECTION

Usually the next and final step is to select the most economic plan. Such selection involves utility economics in the comparison
of levelized revenue requirements or net present value of the alternatives considered. Ultimately, the alternative with the lowest overall cost, or conversely, the greatest overall benefit, is selected as the recommended alternative.

Completion of the System Impact Study constitutes an analysis of the Distribution System and major Distribution Facilities required to provide adequate capability. Subsequently, further detailed engineering is required to prepare construction drawings, material lists for construction, and companion cost estimates and responsibilities.
ATTACHMENT D

Wholesale Distribution Losses

1.0. POWER (DEMAND) LOSSES

The demand losses, expressed in kW, attributable to a given load are those losses created by the load in question. This is the total losses with existing load plus the load in question, less the existing losses without the added load. These losses are site-specific calculations and are as follows:

\[
\text{Losses, kW} = 3 \, I_T^2 R - 3 \, I_B^2 R
\]

Where,

\[
\begin{align*}
I_T &= \text{Total load current in one wire, in amps. (The current for the existing base load plus the load in question.)} \\
I_B &= \text{Base load current in one wire, in amps. (Existing load without the load in question.)} \\
I_L &= \text{Load current in one wire, in amps for the load in question.} \\
R &= \text{Resistance of one wire (phase) in the path from the point of receipt to the point of delivery.}
\end{align*}
\]

If there are multiple sections of circuitry in the path to the point of delivery, with substantially different characteristics, either load current or resistance, the losses must be considered for each line section, and then combined with all other line sections in the path.

Energy losses are simply the hourly kW losses accumulated over the
period in question and expressed in kWhs.

To simplify the calculations, PG&E has historically used system average energy and power loss factors developed from a specific study of losses. PG&E will use those system average loss factors in the determination of losses, both energy and power, as applicable to this tariff based upon system average loss factors as specified in PG&E's latest Test Year Filing. (See page BB-3 of Volume 4, Workpapers, in Docket No. OA96-28-000.)

The Distribution loss factors are:

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<th>Demand Loss Factor</th>
<th>Energy Loss Factor</th>
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<td>Primary System</td>
<td>1.83%</td>
<td>1.25%</td>
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<tr>
<td>Secondary System</td>
<td>2.66%</td>
<td>3.62%</td>
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</table>

**Demand Losses**

Primary Distribution Demand Losses:

\[ \text{1000kW} \times 1.83\% = 18.3\text{kW} \text{ (at peak load)} \]

Secondary Distribution (If secondary service is involved)

\[ \text{1000kW} \times 2.66\% = 26.6\text{kW} \text{ (at peak load)} \]
\[ 18.3\text{kW} + 26.6\text{kW} = 44.9\text{kW} \]

Then, Total Distribution Losses would be 44.9 kW

**Energy Losses**

Annual Energy Consumption = \[ \text{1000kW} \times .65 \text{ Load Factor} \times 8760 \text{ hrs/yr} \]
\[ = 5,694,000\text{kWh} \]

Primary Distribution Energy Losses:

\[ 5,694,000\text{kWh} \times 1.25\% = 71,175\text{kWh} \text{ (at peak load)} \]

Secondary Distribution Energy Losses: (If secondary service is involved)
5,694,000kWh x 3.62% = 206,123kWh (at peak load)

71,175kWh + 206,123kWh = 277,298kWh

Then, Total Distribution Energy Losses would be 277,298kWh
ATTACHMENT E

SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)

(For Generating Facilities No Larger Than 20 MW)
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**Attachment 1** – Glossary of Terms  
**Attachment 2** – Small Generator Interconnection Request  
**Attachment 3** – Certification Codes and Standards  
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**Attachment 5** – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")  
**Attachment 6** – Feasibility Study Agreement  
**Attachment 7** – System Impact Study Agreement  
**Attachment 8** – Facilities Study Agreement

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Issued By: De Anne Hapner, Vice President – Federal Regulatory Policy and Rates  
Issued On: 12/19/2005  
Effective: 10/12/2005
Section 1. Application

1.1 Applicability

1.1.1 A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) no larger than 2 MW shall be evaluated under the section 2 Fast Track Process. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kW shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility larger than 2 MW but no larger than 20 MW or a Small Generating Facility that does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process.

1.1.2 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.

1.1.3 Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4 Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Distribution Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Distribution Provider shall respond within 15 Business Days.

1.1.5 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Distribution and Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6 References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

The Distribution Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Distribution Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Distribution Provider's Distribution System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Distribution Provider shall comply with reasonable requests for such information.
1.3 Interconnection Request
The Interconnection Customer shall submit its Interconnection Request to the Distribution Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Distribution Provider within three Business Days of receiving the Interconnection Request. The Distribution Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Distribution Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Distribution Provider.

1.4 Modification of the Interconnection Request
Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Distribution Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control
Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.8.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.8.2 An option to purchase or acquire a leasehold site for such purpose; or

1.8.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position
The Distribution Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Distribution Provider shall maintain a single queue per geographic region. At the Distribution Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGiP
Nothing in this SGIP affects an Interconnection Customer’s Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. Fast Track Process

2.1 Applicability
The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Distribution Provider’s Distribution System if the Small Generating Facility is no larger than 2 MW and if the Interconnection Customer’s proposed Small Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Distribution Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

2.2 Initial Review
Within 15 Business Days after the Distribution Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Distribution Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Distribution Provider’s determinations under the screens.

2.2.1 Screens

2.2.1.1 The proposed Small Generating Facility’s Point of Interconnection must be on a portion of the Distribution Provider’s Distribution System that is subject to the Tariff.

2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Distribution Provider’s electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of Spot Network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network’s minimum load or 50 kW to ensure continuous import of power. Under no condition shall the interconnection of a Small Generating Facility result in a backfeed of a spot network or cause unnecessary operation of any Spot Network protectors.

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1 A Spot Network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company).
2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10% to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.

2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5% of the short circuit interrupting capability; nor shall the interconnection proposed for a circuit that already exceeds 87.5% of the short circuit interrupting capability.

2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Distribution Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

<table>
<thead>
<tr>
<th>Primary Distribution Line Type</th>
<th>Type of Interconnection to Primary Distribution Line</th>
<th>Result/Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three-phase, three wire</td>
<td>3-phase or single phase, phase-to-phase</td>
<td>Pass screen</td>
</tr>
<tr>
<td>Three-phase, four wire</td>
<td>Effectively-grounded 3 phase or Single-phase, line-to-neutral</td>
<td>Pass screen</td>
</tr>
</tbody>
</table>

2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.

2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).
2.2.1.10 No construction of facilities by the Distribution Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Distribution Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but the Distribution Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Distribution Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.

2.2.4 If the proposed interconnection fails the screens, but the Distribution Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider modifications or further study, the Distribution Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

2.3 Customer Options Meeting
If the Distribution Provider determines the Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five Business Day period after the determination, the Distribution Provider shall notify the Interconnection Customer and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Distribution Provider's determination, the Distribution Provider shall offer to convene a customer options meeting with the Distribution Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Distribution Provider's determination, or at the customer options meeting, the Distribution Provider shall:

2.3.1 Offer to perform facility modifications or minor modifications to the Distribution Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Distribution Provider's electric system; or

2.3.2 Offer to perform a supplemental review if the Distribution Provider concludes that the supplemental review might determine that the Small Generating Facility could continue to qualify for interconnection pursuant to the Fast Track Process, and provide a non-binding good faith estimate of the costs of such review; or

2.3.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

2.4 Supplemental Review
If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 15 Business Days of the offer, and submit a deposit for the estimated costs. The Interconnection Customer shall be responsible for the Distribution Provider's actual
costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Distribution Provider will return such excess within 20 Business Days of the invoice without interest.

2.4.1 Within ten Business Days following receipt of the deposit for a supplemental review, the Distribution Provider will determine if the Small Generating Facility can be interconnected safely and reliably.

2.4.1.1 If so, the Distribution Provider shall forward an executable an interconnection agreement to the Interconnection Customer within five Business Days.

2.4.1.2 If so, and Interconnection Customer facility modifications are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Distribution Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days after confirmation that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost.

2.4.1.3 If so, and modifications to the Distribution Provider's electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under the Fast Track Process, the Distribution Provider shall forward an executable interconnection agreement to the Interconnection Customer within ten Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.

2.4.1.4 If not, the Interconnection Request will continue to be evaluated under the section 3 Study Process.

Section 3. Study Process

3.1 Applicability
The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Distribution Provider's Distribution System if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Distribution Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Distribution Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Distribution Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Distribution Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.3 Feasibility Study

3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.

3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of $1,000 may be required from the Interconnection Customer.

3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement.

3.3.4 If the feasibility study shows no potential for adverse system impacts, the Distribution Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Distribution Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.

3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

3.4 System Impact Study

3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
3.4.2 If no system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Distribution Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Distribution Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Distribution Provider shall send the Interconnection Customer a distribution system impact study agreement.

3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Distribution Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.

3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.

3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest transmission provider (transmission owner, regional transmission operator, or independent transmission provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.
3.5 Facilities Study

3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Distribution Provider's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Distribution Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Distribution Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Distribution Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Distribution Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.

3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Distribution Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts
The Distribution Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Distribution Provider and the Interconnection Customer agree to a different schedule. If the Distribution Provider cannot meet a deadline provided herein, it shall notify the

Issued By: De Anne Hapner, Vice President – Federal Regulatory Policy and Rates
Effective: 10/12/2005
Issued On: 11/25/2005
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER05-1319-000 et al., issued October 11, 2005, 112 FERC ¶ 61,021 (2005).
Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Distribution Provider's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Distribution Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5 Confidentiality

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or
release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability
The Distribution Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Distribution Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Distribution Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention
The Distribution Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement
After receiving an interconnection agreement from the Distribution Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement, or request that the Distribution Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Distribution Provider within 30 Business Days, the Interconnection Request

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shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems
The Distribution Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Distribution Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Distribution Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. Any Affected System(s) shall cooperate with the Distribution Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

4.11 Interconnection Customer To Meet Requirements for the Distribution Provider’s Interconnection Handbook

The Interconnection Customer’s Interconnection Facilities shall be designed, constructed, operated and maintained in accordance with the Distribution Provider’s Interconnection Handbook. In the event of a conflict between the terms of the SGIP and the terms of the Distribution Provider’s Interconnection Handbook, the terms of the SGIP shall govern.
Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

Affected System – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution Owner - The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission or wholesale distribution service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility no larger than 2 MW that includes the section 2 screens, customer options meeting, and optional supplemental review.

Interconnection Customer – Any entity, including the Distribution Provider, the Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities – The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Handbook – A handbook, developed by the Distribution Provider and posted on the Distribution Provider’s website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict
between the terms of the Small Generator Interconnection Procedures and the terms of the Distribution Provider’s Interconnection Handbook, the terms in the Small Generator Interconnection Procedures shall govern.

**Interconnection Request** – The Interconnection Customer’s request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider’s Distribution System.

**Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request or any other valid interconnection request to the Distribution Provider or the ISO with a later queue priority date.

**Network Upgrades** – Additions, modifications, and upgrades to the Distribution Provider’s Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider’s Transmission System to accommodate the interconnection of the Small Generating Facility to the Distribution Provider’s Transmission System. Network Upgrades do not include Distribution Upgrades.

**Party or Parties** – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Distribution Provider’s Distribution System.

**Queue Position** – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Distribution Provider.

**Small Generating Facility** – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Study Process** – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

**Tariff** – The Distribution Provider’s Wholesale Distribution Tariff through which open access distribution service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Distribution Provider** – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission or wholesale distribution service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

**Transmission System** – Those facilities owned by the Distribution Provider that have been placed under the ISO’s operational control and are part of the ISO Grid.
Upgrades – The required additions and modifications to the Distribution Provider’s Transmission System and Distribution System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.
SMALL GENERATOR INTERCONNECTION REQUEST  
(Application Form)

Distribution Provider: ________________________________________________________________

Designated Contact Person: __________________________________________________________

Address: _________________________________________________________________________

Telephone Number: __________________________________________________________________

Fax: ______________________________________________________________________________

E-Mail Address: _____________________________________________________________________

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Distribution Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is $500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Distribution Provider a deposit not to exceed $1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: ___________________________________________________________________________

Contact Person: ____________________________________________________________________

Mailing Address: ___________________________________________________________________

City: ___________________________ State: ___________ Zip: _____________________________

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Facility Location (if different from above): ____________________________________________________________

Telephone (Day): ______________________ Telephone (Evening): ______________________

Fax: _______________________________ E-Mail Address: ____________________________________________

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: __________________________________________

Title: _____________________________________________________________________________________

Address: ____________________________________________________________________________________

Telephone (Day): ______________________ Telephone (Evening): ______________________

Fax: _____________________________________ E-Mail Address: _____________________________

Application is for: ______New Small Generating Facility

______Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____________________________________________

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___

To Supply Power to the Interconnection Customer? Yes ___No ___

To Supply Power to Others? Yes ____ No _____

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*) (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Distribution Provider]

Contact Name: __________________________________________

Title: _____________________________________________________________________________________

Address: ____________________________________________________________________________________

__________________________________________
Telephone (Day): _____________________________ Telephone (Evening): ______________________
Fax: _______________________________________ E-Mail Address: ____________________________

Requested Point of Interconnection: ____________________________________________________________

Interconnection Customer’s Requested In-Service Date: ____________________________________________

**Small Generating Facility Information**
Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: ___ Solar   ___ Wind   ___ Hydro   ___ Hydro Type (e.g. Run-of-River):_____________
              Diesel   ___ Natural Gas   ___ Fuel Oil   ___ Other (state type) ________________

Prime Mover:    ___ Fuel Cell   ___ Recip Engine   ___ Gas Turb   ___ Steam Turb
                 ___ Microturbine ___ PV   ___ Other

Type of Generator: ___ Synchronous   ___ Induction   ___ Inverter

Generator Nameplate Rating: _______ kW (Typical)   Generator Nameplate kVAR: _______

Interconnection Customer or Customer-Site Load: _________________kW (if none, so state)

Typical Reactive Load (if known): _________________

Maximum Physical Export Capability Requested: _____________ kW

List components of the Small Generating Facility equipment package that are currently certified:

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Certifying Entity</th>
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<tbody>
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<td>5.</td>
<td></td>
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</tbody>
</table>

Is the prime mover compatible with the certified protective relay package?   ____ Yes   ____ No

Generator (or solar collector)
Manufacturer, Model Name & Number: ______________________________________________________
Version Number: _________________

Nameplate Output Power Rating in kW: (Summer) _____________ (Winter) _____________
Nameplate Output Power Rating in kVA: (Summer) _____________ (Winter) _____________

Individual Generator Power Factor
Rated Power Factor: Leading: _____________ Lagging: _____________

Total Number of Generators in wind farm to be interconnected pursuant to this

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Interconnection Request: __________ Elevation: ______ Single phase ___Three phase

Inverter Manufacturer, Model Name & Number (if used): _____________________________________

List of adjustable set points for the protective equipment or software: __________________________

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based generators)

Max design fault contribution current at the terminal: ___ Instantaneous ___ or RMS? ______

Harmonics Characteristics: ____________________________________________________________

Start-up requirements: ________________________________________________________________

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: __________________
(*) Neutral Grounding Resistor (If Applicable): ____________

Synchronous Generators:

Direct Axis Synchronous Reactance, Xd: _______ P.U.
Direct Axis Transient Reactance, X' _d: _______ P.U.
Direct Axis Subtransient Reactance, X" _d: _______ P.U.
Negative Sequence Reactance, X_d: _______ P.U.
Zero Sequence Reactance, X_0: _______ P.U.
KVA Base: ______________________
Field Volts: ______________
Field Amperes: ______________

Induction Generators:

Motoring Power (kW): ______________
I_2^t or K (Heating Time Constant): ______________
Rotor Resistance, Rr: ______________
Stator Resistance, Rs: ______________
Stator Reactance, Xs: ______________
Rotor Reactance, Xr: ______________
Magnetizing Reactance, Xm: ______________
Short Circuit Reactance, Xd": ______________
Exciting Current: ______________
Temperature Rise: ______________
Frame Size: ______________
Design Letter: ______________

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Reactive Power Required In Vars (No Load): ______________
Reactive Power Required In Vars (Full Load): ______________
Total Rotating Inertia, H: ______________ Per Unit on kVA Base

Note: Please contact the Distribution Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? ___Yes ___No
Will the transformer be provided by the Interconnection Customer? ____Yes ____No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):
Is the transformer: ____single phase _____three phase? Size: ___________kVA
Transformer Impedance: _____% on __________kVA Base

If Three Phase:
Transformer Primary: _____ Volts _____ Delta _____Wye _____ Wye Grounded
Transformer Secondary: _____ Volts _____ Delta _____Wye _____ Wye Grounded
Transformer Tertiary: _____ Volts _____ Delta _____Wye _____ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):
(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)
Manufacturer: __________________ Type: ______________ Size: ________ Speed: ______________

Interconnecting Circuit Breaker (if applicable):
Manufacturer: ____________________________ Type: __________
Load Rating (Amps): _______ Interrupting Rating (Amps): ________ Trip Speed (Cycles): __________

Interconnection Protective Relays (If Applicable):
If Microprocessor-Controlled:
List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function Minimum Maximum

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1. ____________________________________________________________________________ 
2. ____________________________________________________________________________ 
3. ____________________________________________________________________________ 
4. ____________________________________________________________________________ 
5. ____________________________________________________________________________ 
6. ____________________________________________________________________________ 

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: __________ Type: ______ Style/Catalog No.: _______ Proposed Setting: __________
Manufacturer: __________ Type: ______ Style/Catalog No.: _______ Proposed Setting: __________
Manufacturer: __________ Type: ______ Style/Catalog No.: _______ Proposed Setting: __________
Manufacturer: __________ Type: ______ Style/Catalog No.: _______ Proposed Setting: __________
Manufacturer: __________ Type: ______ Style/Catalog No.: _______ Proposed Setting: __________

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer’s Excitation and Ratio Correction Curves)

Manufacturer: __________ Type: ______ Accuracy Class: ___ Proposed Ratio Connection: ___
Manufacturer: __________ Type: ______ Accuracy Class: ___ Proposed Ratio Connection: ___

Potential Transformer Data (If Applicable):

Manufacturer: __________ Type: ______ Accuracy Class: ___ Proposed Ratio Connection: ___
Manufacturer: __________ Type: ______ Accuracy Class: ___ Proposed Ratio Connection: ___

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ____Yes ____No

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Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) ____________________________________________________

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___Yes ____No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed? ___Yes ____No

**Applicant Signature**

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: ____________________________________ Date: ____________

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**Certification Codes and Standards**

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code


IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits


ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms

NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1
Certification of Small Generator Equipment Packages

1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer’s literature accompanying the equipment.

2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.

3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.

4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.

5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components’ labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

6.0 An equipment package does not include equipment provided by the utility.

7.0 Any equipment package approved and listed in a state by that state’s regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.
Attachment 5

Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW (“10 kW Inverter Process”)

1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Distribution Provider ("Company").

2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.

3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.

4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.

5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.

6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.

7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.

8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.

9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

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Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below and the documentation of site control pursuant to Section 1.5 of the SGiP. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of $100 must accompany this Application.

Interconnection Customer
Name: ____________________________________________
Contact Person: __________________________________
Address: ________________________________________
City: ___________________________ State: ___________ Zip: ___________
Telephone (Day): ____________________ (Evening): __________
Fax: ____________________________ E-Mail Address: ________________

Contact (if different from Interconnection Customer)
Name: ____________________________________________
Address: ________________________________________
City: ___________________________ State: ___________ Zip: ___________
Telephone (Day): ____________________ (Evening): __________
Fax: ____________________________ E-Mail Address: ________________

Owner of the facility (include % ownership by any electric utility): ____________________________

Small Generating Facility Information
Location (if different from above): ____________________________
Electric Service Company: ____________________________
Account Number: ____________________________
Inverter Manufacturer: ____________________ Model: ____________________

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _______ Three Phase_______

System Design Capacity: _________ (kW) _______ (kVA)

Prime Mover: Photovoltaic ☐ Reciprocating Engine ☐ Fuel Cell ☐

Turbine ☐ Other ____________________

Energy Source: Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐

Fuel Oil ☐ Other (describe) ____________________

Is the equipment UL1741 Listed? Yes ☐ No ☐

If Yes, attach manufacturer's cut-sheet showing UL1741 listing.

Estimated Installation Date: _____________ Estimated In-Service Date: ____________

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Distribution Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

<table>
<thead>
<tr>
<th>Equipment Type</th>
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</tbody>
</table>

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: ____________________

Title: ____________________ Date: ____________
Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: __________________________________________________

Title: ______________________________________ Date: ____________

Application ID number: __________

Company waives inspection/witness test? Yes___No___
Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes______ No ______

Interconnection Customer: _______________________________________________________________
Contact Person: _________________________________________________________________
Address: ________________________________________________________________

Is the Small Generating Facility owner-installed? Yes______ No ______

Location of the Small Generating Facility (if different from above):

City: __________________________ State: _______________ Zip Code: ______
Telephone (Day): ___________________ (Evening): ___________________
Fax: ____________________________ E-Mail Address: ______________________

Electrician:
Name: __________________________
Address: __________________________
City: __________________________ State: _______________ Zip Code: ______
Telephone (Day): ___________________ (Evening): ___________________
Fax: ____________________________ E-Mail Address: ______________________
License number: __________________________
Date Approval to Install Facility granted by the Company: __________________
Application ID number: __________________________

Inspection:
The Small Generating Facility has been installed and inspected in compliance with the local
building/electrical code of __________________________________________

Signed (Local electrical wiring inspector, or attach signed electrical inspection):
____________________________________________________________________________
Print Name: ________________________________________________________________
Date: ______________
As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _______________________________________________

Company: ____________________________________________

Address: _____________________________________________

City, State ZIP: ______________________________________

Fax: __________________

Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: _________________________________

Title: _________________________________  Date: ____________
Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

1.0 Construction of the Facility
The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Distribution Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

2.0 Interconnection and Operation
The Customer may operate Small Generating Facility and interconnect with the Company’s electric system once all of the following have occurred:

2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and

2.2 The Customer returns the Certificate of Completion to the Company, and

2.3 The Company has either:

2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or

2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or

2.3.3 The Company waives the right to inspect the Small Generating Facility.

2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.

2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

3.0 Safe Operations and Maintenance
The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.
4.0 **Access**  
The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 **Disconnection**  
The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

5.1 For scheduled outages upon reasonable notice.

5.2 For unscheduled outages or emergency conditions.

5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.

5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

6.0 **Indemnification**  
The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7. 0 **Insurance**  
The Parties each agree to maintain commercially reasonable amounts of insurance.

8.0 **Limitation of Liability**  
Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 **Termination**  
The agreement to operate in parallel may be terminated under the following conditions:

9.1 **By the Customer**  
By providing written notice to the Company.

9.2 **By the Company**  
If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.
9.3 **Permanent Disconnection**
In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 **Survival Rights**
This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 **Assignment/Transfer of Ownership of the Facility**
This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.
THIS AGREEMENT is made and entered into this _____ day of ____________, 20___ by and between ____________________________, a __________________ organized and existing under the laws of the State of ____________________________________, (“Interconnection Customer,”) and ____________________________________________, a __________________ existing under the laws of the State of ____________________________________, (“Distribution Provider”). Interconnection Customer and Distribution Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on __________________________; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Distribution Provider’s Distribution System; and

WHEREAS, Interconnection Customer has requested the Distribution Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Distribution Provider’s Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Distribution Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Wholesale Distribution Tariff.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Distribution Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
5.0 In performing the study, the Distribution Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:

6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

6.3 Initial review of grounding requirements and electric system protection; and

6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.

7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.

8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of $1,000 may be required from the Interconnection Customer.

10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.

11.0 Any study fees shall be based on the Distribution Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Distribution Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly
PACIFIC GAS AND ELECTRIC COMPANY

FERC Electric Tariff First Revised Volume 4

Superseding Original Sheet No. 133

Issued By: De Anne Hapner, Vice President – Federal Regulatory Policy and Rates

Effective: 10/12/2005

Issued On: 11/25/2005

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER05-1319-000 et al., issued October 11, 2005, 112 FERC ¶ 61,021 (2005).

authorized officers or agents on the day and year first above written.

[Insert name of Distribution Provider]  [Insert name of Interconnection Customer]

___________________________________ _________________________________

Signed______________________________ Signed___________________________

Name (Printed):    Name (Printed):

___________________________________ ________________________________

Title_______________________________ Title____________________________

Issued By: De Anne Hapner, Vice President – Federal Regulatory Policy and Rates
Effective: 10/12/2005
Issued On: 11/25/2005
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER05-1319-000 et al., issued October 11, 2005, 112 FERC ¶ 61,021 (2005).
Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on ________________:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Distribution Provider.
System Impact Study Agreement

THIS AGREEMENT is made and entered into this__ day of________________, 20__, by and between_____________________________________________________, a____________________________ organized and existing under the laws of the State of ____________________________________________ , ("Interconnection Customer,") and _______________________________________________________, a________________ existing under the laws of the State of ____________________________________________, ("Distribution Provider"). Interconnection Customer and Distribution Provider each may be referred to as a "Party," or collectively as the "Parties."

RECATIALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on________________________; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Distribution Provider’s Distribution System;

WHEREAS, the Distribution Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested the Distribution Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Distribution Provider’s Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Distribution Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Wholesale Distribution Tariff.

3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Distribution Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies
its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Distribution Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.

8.0 If the Distribution Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –

8.1 Are directly interconnected with the Distribution Provider's electric system; or

8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and

8.3 Have a pending higher queued Interconnection Request to interconnect with the Distribution Provider's electric system.

9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Distribution Provider's queuing procedures.

10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
11.0 Any study fees shall be based on the Distribution Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Distribution Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Distribution Provider]  [Insert name of Interconnection Customer]

______________________________  ________________________________
Signed___________________________  Signed___________________________
Name (Printed): Name (Printed):

Title_____________________________  Title_____________________________
Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Distribution Provider.
Facilities Study Agreement

THIS AGREEMENT is made and entered into this ___ day of __________, 20___ by and between _______________________________________, a __________________ organization and existing under the laws of the State of ____________________________________________, ("Interconnection Customer,") and _______________________________________, a __________________ organization and existing under the laws of the State of ____________________________________________, ("Distribution Provider"). Interconnection Customer and Distribution Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on ____________________; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Distribution Provider's Transmission System;

WHEREAS, the Distribution Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Distribution Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Distribution Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.

2.0 The Interconnection Customer elects and the Distribution Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Wholesale Distribution Tariff.

3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.

4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and
other station equipment, (2) the nature and estimated cost of the Distribution Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

5.0 The Distribution Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.

7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.

8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.

9.0 Any study fees shall be based on the Distribution Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Distribution Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Distribution Provider]  [Insert name of Interconnection Customer]

___________________________________  ______________________________________
Signed______________________________  Signed___________________________

Name (Printed):    Name (Printed):

___________________________________  ______________________________________
Title_______________________________  Title____________________________
Data to Be Provided by the Interconnection Customer  
with the Facilities Study Agreement

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT)

Amps

One set of metering is required for each generation connection to the new ring bus or existing Distribution Provider station. Number of generation connections: ______________

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes ____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____

(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

______________________________________________________________________________

______________________________________________________________________________

What protocol does the control system or PLC use?

______________________________________________________________________________

______________________________________________________________________________

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

______________________________________________________________________________

Bus length from generation to interconnection station:
Line length from interconnection station to Distribution Provider’s Transmission System.

______________________________________________________________________________

Tower number observed in the field. (Painted on tower leg)*:

______________________________________________________________________________

Number of third party easements required for transmission lines*:

______________________________________________________________________________

* To be completed in coordination with Distribution Provider.

Is the Small Generating Facility located in Distribution Provider’s service area?

Yes ______ No ______ If No, please provide name of local provider:

______________________________________________________________________________

Please provide the following proposed schedule dates:

Begin Construction Date:____________________________

Generator step-up transformers receive back feed power Date:____________________________

Generation Testing Date:____________________________

Commercial Operation Date:____________________________
ATTACHMENT F

SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)

(For Generating Facilities No Larger Than 20 MW)
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Issued By: De Ann Hapner, Vice President – Federal Regulatory Policy and Rates
Effective: 10/12/2005
Issued On: 11/25/2005
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER05-1319-000 et. al., issued October 11, 2005, 112 FERC ¶ 61,021 (2005).
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Attachment 6 – Distribution Provider’s Description of its Upgrades and Best Estimate of Upgrade Costs
This Interconnection Agreement ("Agreement") is made and entered into this ________ day of __________, 20__, by ____________________________ ("Distribution Provider"), and ________________________________ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

**Distribution Provider Information**

- Distribution Provider: ________________________________
- Attention: ________________________________
- Address: ____________________________________________
- City: __________________ State: __________ Zip: ______
- Phone: ________________  Fax: ________________

**Interconnection Customer Information**

- Interconnection Customer: ________________________________
- Attention: ________________________________
- Address: ____________________________________________
- City: __________________ State: __________ Zip: ______
- Phone: ________________  Fax: ________________

Interconnection Customer Application No: _____________

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**Article 1. Scope and Limitations of Agreement**

1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.

1.2 This Agreement governs the terms and conditions under which the Interconnection Customer’s Small Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider’s Distribution System.

1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.

1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties
1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer’s recommended maintenance schedule, in accordance with this Agreement, and with Good Utility Practice.

1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider or Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Distribution and Transmission Systems, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Distribution Provider shall coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations
Once the Small Generating Facility has been authorized by the Distribution Provider to commence parallel operation, the Interconnection Customer shall abide by all rules and
procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution and Transmission Systems and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering
The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when, in response to an emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access
2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.

2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer’s written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Distribution Provider’s Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, the Distribution Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days.
after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Distribution Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

**Article 3. Effective Date, Term, Termination, and Disconnection**

3.1 **Effective Date**
This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.

3.2 **Term of Agreement**
This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 **Termination**
No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Distribution Provider's Distribution System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.
3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties’ facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the
3.4.4 Adverse Operating Effects
The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Distribution Provider may disconnect the Small Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility
The Interconnection Customer must receive written authorization from the Distribution Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection
The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.
4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

4.2 Distribution Upgrades
The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability
No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades
The Distribution Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades
The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19(a)(2)(ii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.
5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and Affected System operator may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and Affected System operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or Affected System operator(s) will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 **Special Provisions for Affected Systems**

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to Affected System operator(s) for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 **Rights Under Other Agreements**

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.
Article 6. Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than an Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Distribution Provider and is consistent with the Uniform Commercial Code of the
jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider’s Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party’s liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney’s fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this
7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
7.5 Uncontrollable Force

7.5.1 As used in this article, an Uncontrollable Force shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force 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 shall keep the other Party informed on a continuing basis of developments relating to the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force 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.

7.6 Default

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of
Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider’s commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider’s liabilities undertaken pursuant to this Agreement.

8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated “Confidential.” For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1 Each Party shall employ at least the same standard of care to protect
9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.

9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

Article 10. Disputes

10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.

10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.

10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.

10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at http://www.ferc.gov/legal/adr.asp.

10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have.
in equity or law consistent with the terms of this Agreement.

**Article 11. Taxes**

11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2 Each Party shall cooperate with the other to maintain the other Party’s tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider’s tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

**Article 12. Miscellaneous**

12.1 **Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _________________ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 **Amendment**

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 **No Third-Party Beneficiaries**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 **Waiver**

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 **Entire Agreement**

This Agreement, including all Attachments, constitutes the entire agreement between the
Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership
This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability
If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements
Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases
Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.
becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors
Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor’s insurance.

12.12 Reservation of Rights
The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

Article 13. Notices

13.1 General
Unless otherwise provided in this Agreement, any written notice, demand, or request
required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:
  Interconnection Customer: ____________________________________________
  Attention: __________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______
  Phone: ________________       Fax: _________________

If to the Distribution Provider:
  Distribution Provider: _____________________________________________
  Attention: _________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______
  Phone: ________________       Fax: _________________

13.2 Billing and Payment
Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: ____________________________________________
  Attention: __________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______

Distribution Provider: _____________________________________________
  Attention: _________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______

13.3 Alternative Forms of Notice
Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:
  Interconnection Customer: ____________________________________________
  Attention: __________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______
  Phone: ________________       Fax: _________________

If to the Distribution Provider:
  Distribution Provider: _____________________________________________
  Attention: _________________________________________________________
  Address: __________________________________________________________
  City: ______________________ State:___________ Zip:_______
13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party’s facilities.

Interconnection Customer’s Operating Representative:

Interconnection Customer: ____________________________________________
Attention: __________________________________________________________
Address: _____________________________________________________________
City: _______________________________ State:______________ Zip:_______
Phone: ________________       Fax: _________________

Distribution Provider’s Operating Representative:

Distribution Provider: _____________________________________________
Attention: __________________________________________________________
Address: _____________________________________________________________
City: _______________________________ State:______________ Zip:_______
Phone: ________________       Fax: _________________

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Distribution Provider

Name: ___________________________________________
Title: ___________________________________________
Date: ________________________

For the Interconnection Customer

Issued By: De Ann Hapner, Vice President – Federal Regulatory Policy and Rates
Effective: 10/12/2005
Issued On: 11/25/2005
Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. ER05-1319-000 et. al., issued October 11, 2005, 112 FERC ¶ 61,021 (2005).
Glossary of Terms

Affected System – An electric system other than the Distribution Provider’s Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its Breach under the Small Generator Interconnection Agreement.

Distribution Owner – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

Distribution Provider – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission or wholesale distribution service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

Distribution System – Those non-ISO transmission and distribution facilities owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to the Distribution Provider’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the service necessary to effect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

Interconnection Customer – Any entity, including the Distribution Provider, the Distribution Owner, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Distribution Provider's Distribution System.

Interconnection Facilities – The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Handbook - A handbook, developed by the Distribution Provider and posted on the Distribution Provider’s website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider’s Interconnection Handbook, the terms in this SGIA shall govern.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider’s Distribution System.

ISO Tariff – The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by the Commission.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider’s Transmission System to accommodate the interconnection of the Small Generating Facility to the Distribution Provider’s Distribution System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, California Independent System Operator, control area, or the Distribution Provider's requirements, including those set forth in the Small
Generator Interconnection Agreement.

**Party or Parties** – The Distribution Provider, Distribution Owner, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

**Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Small Generating Facility** – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Tariff** – The Distribution Provider’s Wholesale Distribution Tariff through which open access distribution service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission System** – Those facilities owned by the Distribution Provider that have been placed under the ISO’s operational control and are part of the ISO Grid.

**Upgrades** – The required additions and modifications to the Distribution Provider’s Distribution System, at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.
Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, Distribution Owner or the Transmission Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.
Attachment 3

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades
In-Service Date: 

Critical milestones and responsibility as agreed to by the Parties:

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Agreed to by:

For the Distribution Provider__________________________  Date______________

For the Transmission Owner (If Applicable) ________________________ Date_____________

For the Interconnection Customer________________________  Date______________

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Additional Operating Requirements for the Distribution Provider’s Distribution System, 
Transmission System and Affected Systems Needed to Support 
the Interconnection Customer’s Needs

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.
Attachment 6

Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.