TARIFF N.M.S. (Net Metering Service) Form No. 1

Availability of Service

Available to residential and general service customers who own and operate an eligible electric generating facility designed to operate in parallel with the Company system. The total rated generating capacity of all customers served under this tariff shall be limited to three percent (3%) of the Company single hour peak load during the previous year, of which one-half percent (0.5%) is reserved for residential Customergenerators.

Conditions of Service

- 1. For the purposes of this tariff, an eligible Customer-generator must meet the definition of "Customer-generator" as set forth in the Commission Rules Governing Electric Utility Net Metering Arrangements and Interconnections, 150 C.S.R. 33 ("Net Metering Rules").
- 2. A Customer-generator seeking to interconnect an eligible electric generating facility to the Company system must submit to designated Company personnel a completed interconnection application, and a one-line diagram showing the configuration of the proposed net metering facility. The Company will provide copies of all applicable forms upon request.
- 3. An interconnection agreement between the Company and the Customer-generator must be executed before the Customer-generator facility may be interconnected with the Company system.
- 4. All generator equipment and installations must comply with the Company's technical requirements. All generator equipment shall be installed in accordance with the manufacturer specifications as well as all applicable provisions of the National Electrical Code and state and local codes. All generator equipment and installations shall comply with all applicable safety, performance and power quality standards, established by the National Electrical Code, the Institute of Electrical and Electronic Engineers, including having a disconnect readily accessible to the electric utility between the facilities of the Customer-generator and the electric utility, and accredited testing laboratories. The disconnect shall comply with Rule 4.1.7. or 4.2.7. of the Interconnection Standards.
- 5. The Customer-generator shall provide the Company proof of qualified installation of the Customer-generator facility. Certification by a licensed electrician shall constitute acceptable proof.
- 6. The Customer-generator shall install, operate, and maintain the Customer-generator facility in accordance with the manufacturer suggested practices for safe, efficient, and reliable operation in parallel with the Company system.
- 7. The Company may, at its own discretion, isolate any Customer-generator facility if the Company has reason to believe that continued interconnection with the Customer-generator facility creates or contributes to a system of emergency.
- 8. The Company may perform reasonable on-site inspections to verify the proper installation and continuing safe operation of the Customer-generator facility and the interconnection facilities, at reasonable times and upon reasonable advance notice to the Customer-generator.

- 9. A Customer-generator shall maintain general liability insurance providing the following coverage: 1) a Customer-generator with a Customer-generator facility with a nameplate capacity of up to 50 kW shall maintain general liability insurance in the amount of one hundred thousand dollars (\$100,000); 2) a Customer-generator with a nameplate capacity of greater than 50 kW and up to 500 kW shall maintain general liability insurance in the amount of five hundred thousand dollars (\$500,000); and 3) a Customer-generator with a Customer-generator facility with a nameplate capacity of greater than 500 kW shall maintain general liability coverage in the amount of one million dollars (\$1,000,000). The Customer-generator must submit evidence of such insurance to the Company with the interconnection application. The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.
- 10. An eligible Customer-generator facility is transferable to other persons or service locations only upon written notification by the Customer-generator to the Company and verification by a licensed electrician that the facility is in compliance with all applicable safety and power quality standards. All other conditions of service apply.

Metering

Net energy metering shall be accomplished by (i) using a standard meter capable of measuring the flow of electricity in two directions, (ii) two separate meters configured to measure gross inflow of electricity and gross outflow of electricity, or (iii) a non-standard meter(s). If offered to other customers in the same class as the Customer-generator, net energy flows may also be measured by time-of-day at the Customer-generator's option by (i) using a standard meter capable of measuring the flow of electricity in two directions by time-of-day, or (ii) two separate meters capable of measuring flows by time-of-day.

If the existing electrical meter installed at the Customer-generator facility is not capable of measuring the flow of electricity in two directions or by time-of-day as required above, the Company shall install new metering equipment for the Customer-generator at the expense of the Customer-generator for the incremental cost in accordance with the Rules Governing Electric Utility Net Metering Arrangements and Interconnections, 150 C.S.R. 33.

If two meters are used to measure energy flows, for each applicable billing period including time-of-day billing periods, the reading of the meter measuring the flow of energy from the Customer-generator to the Company shall be subtracted from the reading of the meter measuring the flow of energy from the Company to the Customer-generator to obtain a measurement of net kW hours for billing purposes.

Monthly Charges

Monthly charges shall be calculated using an identical rate structure to the structure that would apply to the customer if it were not a Customer-generator.

Rates:

Here the electric utility should include the rates applicable to each class of customer using the same rate structure and energy rates applicable to customers that are not Customer-generators.

Fixed monthly charges may include: customer charges, other monthly charges not related to energy consumption, charges for incremental cost of interconnection, and the net difference in the cost of a traditional meter and the bi-directional meter requirement for net metering directly incurred by the electric utility in accommodating a net metering system that would not be required for electric retail customers who are not Customer-generators as allowed by the rules of the Public Service Commission.

Fixed monthly minimum bills and charges that are different from such charges in applicable tariffs for customers that are not Customer-generators must be approved by the Public Service Commission and shall not exceed comparable charges contained in the standard service tariff under which the Customer-generator would otherwise be served by more than the incremental added costs directly incurred by the electric utility in accommodating a net metering system.

Measurement and Charges. The measurement of net electrical energy supplied or generated will be calculated as follows:

- 1. The net electrical energy produced or consumed during the billing period shall be measured in accordance with normal metering practices.
- 2. The Company shall credit a Customer-generator for each kW hour produced by an alternative or renewable energy resource installed on the Customer-generator side of the electric meter and delivered to the electric utility's electric distribution system through the Customer-generator's electric revenue meter, up to the total amount of electricity delivered by the electric utility to that customer during the billing period.
- 3. The electric utility shall credit a Customer-generator at the full retail rate for each kW hour produced by an alternative or renewable energy resource installed on the Customer-generator side of the electric meter and delivered to the electric utility's distribution system through the Customer-generator's electric meter, up to the total amount of electricity delivered by the electric utility to that Customer-generator during the billing period. Provided, that the rate credits shall not reduce the bill below the fixed monthly minimum bill plus any separate charge to the net metering customers for the Incremental Cost of Connection.
- 4. If a Customer-generator supplies more electricity to the electric distribution system than the Company delivers to the Customer-generator in a given billing period, the excess kW hours shall be carried forward and credited against the Customer-generator usage in subsequent billing periods in accordance with Rule 5.2.2. of the Rules Governing Electric Utility Net Metering Arrangements and Interconnections, 150 C.S.R. 33. Provided that, if a Customer-generator terminates service with the electric utility, the electric utility is not required to provide compensation to the Customer-generator for any outstanding kW hour credits.
- 5. For Customer-generators involved in virtual meter aggregation programs, a credit shall be applied first to the meter through which the Customer-generator facility supplies electricity to the distribution system, and then prorated equally to the remaining meters for the Customer-generator's accounts.

Equipment Design Requirements

Data for all major equipment proposed by the Customer to satisfy the Technical Requirements must be submitted for review and approval by the Company with a completed interconnection application. To facilitate review and approval, the Company will maintain a list of Pre-certified equipment.

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The Company List of Pre-certified equipment is available upon request and contains Pre-certified equipment types, makes, and models of manufactured generating equipment and interconnection system components. This listing is based upon equipment certified by recognized national testing laboratories as suitable for interconnection with a distribution system based upon compliance with IEEE 1547.

The use of equipment that is not pre-certified may delay the Company review and approval of the customer's design. All interconnection equipment must be approved by the Company prior to being connected to the Company distribution system and before parallel operation is allowed.

The interconnection system hardware and software design requirements in the Technical Requirements are intended to assure protection of the Company distribution system.