

Fremont Department of Utilities

POLICY AND GUIDELINES FOR NET METERING TO A CUSTOMER-GENERATOR WITH A QUALIFIED FACILITY

January 2010

TABLE OF CONTENTS

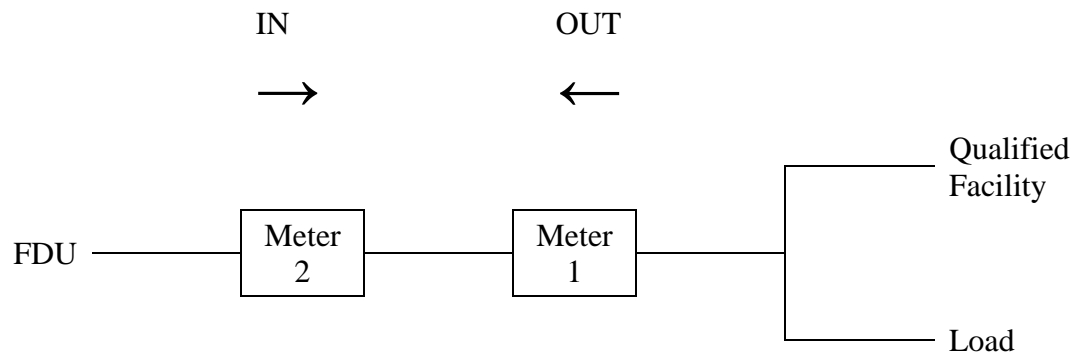
Subject	Page
Renewable Net Metering Policy and Pricing.....	1-1
Processing Request for Net Metering to a Customer-Generator with a Qualified Facility	2-1
Application for Net Metering to a Customer-Generator with a Qualified Facility	3-1
Agreement for Net Metering for a Customer-Generator of a Qualified Facility (25 kW and Less)	4-1
General Terms and Conditions of Interconnection and Power Purchases and Sales	APPENDIX A
Loss Factor Adjustment	APPENDIX B
Additional Interconnection Costs	APPENDIX C

Fremont Department of Utilities

RENEWABLE NET METERING POLICY AND PRICING

AVAILABLE: To renewable small power production facilities with production capacity of 25 kW and less that qualify under the guidelines implemented in Nebraska Legislative Bill 436 as adopted by the FDU Board of Public Works. This rate shall be used in conjunction with the applicable retail rate.

CHARACTER OF SERVICE: Unless otherwise provided by contract, the character of purchased power will be single or three phase alternating electric current at 60 hertz. Voltage shall be determined by the voltage of FDU' distribution system in the vicinity unless otherwise agreed. Renewable facilities will be metered as shown below.



PURCHASE OF OUTPUT FROM QUALIFYING FACILITIES: Owners of renewable Qualifying Facilities will be allowed to use the electrical output of their Qualifying Facilities to supply all or a portion of their own load and deliver the surplus to FDU. At the end of the billing period, FDU will subtract the metered energy which was delivered to FDU from that metered energy which was supplied by FDU. The net positive energy supplied to the Customer will be billed at the applicable retail rate. A net positive energy delivery to FDU will be purchased by FDU each billing period at this Renewable Net Metering rate. Other applicable fees and charges, including the customer charge and demand charge of the retail rate, will be billed to the Customer.

RENEWABLE NET METERING RATE: Energy from renewable Qualifying Facilities will be paid for on the following basis:

WINTER PERIOD for BILLS rendered in the 8-month period from October 1 through May 31 - - \$0.0218 per kilowatt hour for the net positive kilowatt-hours delivered to the System during the BILLING PERIOD.

SUMMER PERIOD for BILLS rendered in the 4-month period from June 1 through September 30 - - \$0.0218 per kilowatt hour for the net positive kilowatt hours delivered to the System during the BILLING PERIOD.

Renewable Net Metering Rate listed above includes the Loss Factor Adjustment listed in Appendix B.

TERMS AND CONDITIONS:

1. A signed written agreement between the Qualifying Facility and FDU will be required.
2. Qualifying Facilities, or renewable small power production facilities, are defined as those energies created by wind, solar, biomass, waste or hydro technologies.
3. This net metering policy shall remain in effect until December 31, 2012.
4. Customer Qualified Facility installation must comply with all applicable city, county, state, and federal laws and regulations.
5. Service will be furnished subject to the System's Service Regulations.

Processing Request for Net Metering to a Customer-Generator with a Qualified Facility

PURPOSE

This Procedure covers the process involved when customers request Net Metering for a Qualified Facility. The process starts when the customer first contacts Fremont Department of Utilities (FDU) for information about customer-owned generation facilities, progresses through the installation and inspection of the system, and finalizes when FDU gives written notice to the customer that operation of the facility may commence.

This Procedure documents the steps that should be taken so that these customers can receive accurate, timely assistance from the FDU personnel most qualified to help them.

GENERAL

FDU finds that it is in the public interest to: Encourage and support renewable energy resources; Stimulate the economic growth of the city; Encourage diversification of the energy resources used in the city; and Maintain low-cost, reliable electric service. FDU is generally obligated to interconnect with, operate in parallel, purchase electricity from and sell electricity to generators who qualify under the rules and regulations. Customer-owned generation that does not satisfy qualifying status requirements can be installed but will not be allowed to operate in parallel with FDU' electric system without special approval by FDU.

DEFINITIONS

Customer-Generator means an end-use electricity customer that generates electricity on the customer's side of the meter from a qualified facility.

Interconnection Agreement means an agreement between a local distribution utility (FDU) and a customer-generator that establishes the financial, interconnection, safety, performance, and reliability requirements relating to the installation and operation of a qualified facility.

Local Distribution System means the equipment and facilities used for the distribution of electric energy to the end-use electricity customer.

Local Distribution Utility means the owner or operator of the local distribution system. FDU is the local distribution utility for the City of Fremont, Nebraska.

Net Excess Generation means the net amount of energy, if any, by which the output of a qualified facility exceeds a customer-generator's total electricity requirements during a billing period.

Net Metering means a system of metering electricity in which a local distribution utility:

- a) Credits a customer-generator at the applicable retail rate for each kilowatt-hour produced by a qualified facility during a billing period up to the total of the customer-generator's electricity requirements during that billing period. A customer-generator may be charged a minimum monthly fee that is the same as other noncustomer-generators in the same rate class but shall not be charged any additional standby, capacity, demand, interconnection, or other fee or charge; and
- b) Compensates the customer-generator for net excess generation during the billing period at a rate equal to the local distribution utility's avoided cost of electric supply over the billing period. The monetary credits shall be applied to the bills of the customer-generator for the preceding billing period and shall offset the cost of energy owed by the customer-generator. If the energy portion of the customer-generator's bill is less than zero in any month, monetary credits shall be carried over to future bills of the customer-generator until the balance is zero. At the end of each annualized period, any excess monetary credits shall be paid out to coincide with the final bill of that period.

Qualifying Facility means a facility for the production of electrical energy that:

- a.) Uses as its energy source either methane, wind, solar resources, biomass, hydropower resources, or geothermal resources;
- b.) Is controlled by the customer-generator and is located on premises owned, leased, or otherwise controlled by the customer-generator;
- c.) Interconnects and operates in parallel with the local distribution system;
- d.) Is intended to meet or offset the customer-generator's requirements for electricity;
- e.) Is not intended to offset or provide credits for electricity consumption at another location owned, operated, leased, or otherwise controlled by the customer-generator or for any other customer;
- f.) Has a rated capacity at or below twenty-five kilowatts (25 kW);
- g.) Meets all applicable safety, performance, interconnection, and reliability standards established by the National Electrical Code (NEC) filed with the Secretary of State and adopted by the State Electrical Board under subdivision (5) of section 81-2104, the National Electrical Safety Code (NESC), The Institute of Electrical and Electronics Engineers (IEEE), and the Underwriters Laboratories, Inc. (UL); and
- h.) Is equipped to automatically isolate the qualified facility from the electrical system in the event of an electrical power outage or other conditions where the line is de-energized.

Customer is any person, partnership, association, firm, corporation (public or private), or governmental agency receiving or intending to receive service from FDU.

Parallel Operation is the situation that exists when the FDU electrical system and the customer owned generation system are simultaneously operated in a synchronized electric connection.

PROCESS

Customer contacts the FDU Electrical Engineering Department to get information about Net Metering.

FDU Electrical Engineering Department will meet with the customer to discuss details and requirements. FDU will provide policy, guidelines, application, contracts, rates, terms, timing, and any other information required for the customer to make an informed decision.

Customer will provide a site plan, a one-line diagram of the building's electrical distribution system, a summary of the total connected load, construction timeframes and deadlines, specifications and details of the transfer switch and/or interconnections with the utility distribution system and a completed application.

FDU will specify the date received on the application and review the supplied information.

FDU set up a meeting with the customer to discuss all pertinent issues regarding the proposed system including: Project Requirements, Contracts, Rates, Terms, Timing for Construction, and Technical Interconnection Requirements and Any Other Information as required.

Electrical Engineering Department will prepare an Agreement and send it to the customer for signatures. When the Agreement is received the Board of Public Works will sign the Agreement and send a copy to the customer.

Once the Agreement is received the FDU staff will give the customer notice to proceed with construction. FDU will work to meet schedules, provide service and complete construction as specified.

Prior to final connection, all fees, inspections, and other requirements will have to be completed.

Fremont Department of Utilities
Application for Net Metering to a
Customer-Generator with a Qualified Facility

Attn: Electrical Engineering
Fremont Department of Utilities
400 E. Military Avenue
P.O. Box 1468
Fremont, NE 68025

I, _____, request the Fremont Department of Utilities to
(owner)
review this application for interconnection and parallel operation of a customer-generation
to be located at _____.
(address where device sited)

The following specifications pertaining to the installation have been prepared by me or my
representative:

Generator and Prime Mover

- a) Manufacturer: _____
- b) Manufacturer's Reference Number, Style, or Type: _____
- c) Nameplate Data: _____
- d) Fuel Source: _____

Character of Service

- a) Voltage: _____
- b) Phase: _____
- c) Frequency: _____
- d) Maximum Parallel Operation. This is not generation capacity but maximum kW capacity
at interface: _____
- e) Disconnect Switch Description: _____
- f) Other Characteristics (if applicable): _____

Tower (if wind system)

a) Height: _____

b) Rotor Diameter: _____

Inverter (if applicable)

a) Manufacturer: _____

b) Model Number: _____

c) Size or Rating: _____

Does Your Facility meet the definition of a Qualifying Facility a Customer Generator?

_____ **Yes**

_____ **No**

Additional Information

Attach the following to the application:

- a) A detailed electrical diagram(s) of the generating equipment, protective features and proposed interconnection to FDU.
- b) If available, data showing wave-shape of the voltage at the interface at maximum output.
- c) Map showing location of the generation facility and other related equipment in relation to property lines, buildings, roads and other landmarks.

Additional Requirements

It is understood that I will not proceed with the installation of equipment based upon parallel operation with FDU until I have met with FDU personnel and received written confirmation that such can proceed. It is further understood that I must comply with any local, state and federal ordinances, codes and regulations. I will supply to FDU any other data concerning this installation should such be reasonably requested.

Name of Applicant: _____

Mailing Address: _____

Telephone: _____

Date Submitted: _____

Received by Date: _____ (by FDU)

Emergency Contact: _____

Telephone: _____

Cell Phone: _____

Net Metering for a Customer-Generator of a Qualified Facility (25 kW AND Less)

Fremont Department of Utilities

AND

This Net Metering Agreement, hereinafter called the "Agreement," is made and entered into as of the _____ day of _____, 20____, by and between _____, hereinafter referred to as the "Owner" of the Customer-Generator of a Qualifying Facility and the City of Fremont, a municipal corporation of the State of Nebraska, acting through the Fremont Department of Utilities, hereinafter referred to as "FDU."

WITNESSED: The Owner desires to install alternate energy generation equipment or a Qualifying Facility and has requested that it be interconnected to FDU such that it operates in parallel with FDU and FDU may receive energy from such Qualifying Facility. FDU agrees to allow such interconnection subject to the following terms and conditions, which are accepted and agreed to by the Owner:

ARTICLE I TERM OF AGREEMENT

This Agreement shall be binding upon execution and shall remain in effect for a term of twelve (12) months from the execution date. The Agreement may be terminated by either Party by giving 30 days written notice. Upon completion of the term, the Agreement will remain effective on a month-to-month basis unless terminated by either Party.

ARTICLE II SALE OF ENERGY

The Owner of the Qualifying Facility will sell and deliver the instantaneous surplus or excess electrical output beyond any load requirements associated with the Qualifying Facility to the FDU.

ARTICLE III RATES FOR PURCHASES FROM QUALIFYING FACILITY

FDU shall pay the Qualifying Facility for energy delivered to the utility according to the current period FDU price schedule for such purchases.

**ARTICLE IV
INTERCONNECTION COSTS**

Those additional costs above and beyond interconnection costs with respect to retail customers of similar load characteristics shall be recovered from the Qualifying Facility. Appendix C to this Agreement shall set forth those additional items and the FDU reimbursement mechanism.

**ARTICLE V
TERMS AND CONDITIONS**

This Agreement includes the following appendices which are attached and incorporated by reference herein:

Appendix A - General Terms and Conditions of Interconnection and Power Purchases and Sales

Appendix B - Loss Factor Adjustment

Appendix C - Additional Interconnection Costs

In addition, the terms and conditions of the FDU Service Regulations, as modified from time to time, shall also apply except as expressly modified in this Agreement.

In Witness Whereof, the Parties have executed this Agreement by their duly authorized representatives as of the date hereinabove set forth:

Qualifying Facility

Fremont Department of Utilities

Title

Title

Attest

Attest

Appendix A

General Terms and Conditions of Interconnection and Power Purchases and Sales

A-1 *Electrical Service Conditions*

A-1.1 *General*

a) Owner: _____

b) Location: _____

A-1.2 *Prime Mover and Generator*

a) Manufacturer: _____

b) Manufacturer's Reference
Number, Type or Style: _____

c) Serial Number: _____

d) Nameplate Data: _____

e) Fuel Source: _____

A-1.3 *Character of Service*

a) Voltage: _____

b) Phase: _____

c) Frequency: _____

d) Service Amp: _____

e) Other Characteristics: _____

A-1.4 *Points of Delivery and Receipt*

The point of delivery and/or receipt between FDU and the Qualifying Facility will be the FDU metering equipment or that point where the FDU service wires are joined to the Qualifying Facility's service terminals unless otherwise mutually agreed to by the Parties.

A-2 Rights and Obligations

A-2.1 Ownership and Responsibility

The Owner of the Qualifying Facility shall design, construct, install, own, operate and maintain the Facility and all equipment on the Owner's side of the point of delivery/receipt that is required to generate and deliver energy to FDU except for any special facilities as may be designated. The Facility's protection, control, safety and all associated equipment must meet standards of good engineering and electrical safety practices as determined solely by FDU and be capable of parallel operation with FDU service wires. The protection, control, safety and other associated equipment shall at all reasonable times be accessible to authorized FDU personnel.

A-2.2 Design

The Owner of the Qualifying Facility shall supply FDU with three copies of technical specifications and drawings upon request related to the production and interconnection facilities and related equipment. FDU' review of the Facility's specifications shall not be construed as confirming nor endorsing the design nor as any warranty of safety, durability or reliability of such Facility or equipment. FDU shall not, by reason of such review or failure to review, be responsible for strength, details of design, adequacy or capacity of the Qualifying Facility or other equipment, nor shall FDU' acceptance be deemed to be an endorsement of any Facility or equipment.

A-2.3 Interconnection Facilities

The Owner of Qualifying Facility shall construct, own and maintain interconnection facilities as required by FDU to deliver energy from the Qualifying Facility to the point of delivery/receipt. The interconnection facilities shall be of such size to accommodate the delivery of such energy. In the event it is necessary for FDU to install special interconnection facilities to re-enforce its electrical system for purposes of this Agreement, the Owner of the Qualifying Facility shall reimburse FDU its costs.

A-2.4 Protective Equipment

The Owner of the Qualifying Facility shall be responsible for providing and maintaining all equipment deemed necessary for the protection of its own facilities, property and operations. Such equipment shall be provided for on the Owner's side of the point of delivery/receipt. By virtue of the interconnection with the Qualifying Facility, FDU assumes no liability for the protection of any property or person associated with the Qualifying Facility's operations.

A-2.5 Changes in Conditions

The Owner of the Qualifying Facility agrees to make and bear all costs, except as otherwise provided, of changes in equipment necessitated by changes in service requirements as may be reasonably required by FDU.

The Owner of the Qualifying facility agrees to notify the FDU of any additions, removals, and/or changes to their generation and/or load.

A-2.6 Governmental Regulations, Codes and Ordinance

The Owner of the Qualifying Facility has the responsibility to comply with all applicable federal, state and local regulations, codes and ordinances including electrical codes. The Owner shall not begin initial operation of the Qualifying Facility until it has passed applicable code inspection requirements and has received written approval from FDU. The FDU review of design specifications and drawing or on-site inspections shall not be construed as approvals as to compliance with any such regulations, codes and/or ordinances.

A-2.7 Land Rights

The Owner of the Qualifying Facility grants to FDU all necessary right-of-ways and easements on the property of the Owner to install, operate, maintain, replace and remove FDU' metering and interconnection equipment. If any part of FDU' facilities are to be located on property owned by other than a Party to this Agreement, the Owner of the Qualifying Facility shall procure all necessary right-of-ways and easements for the construction, operation, maintenance and replacement of FDU' facilities upon such property in a form satisfactory to FDU. The standard FDU easement agreement will be utilized. Authorized FDU personnel have the right to enter at any reasonable time to inspect equipment located on the property or within an enclosure and make safety checks. This right does not relieve the Owner of the Qualifying Facility of the obligation to maintain such facilities.

A-3 Operations and Safety

A-3.1 Procedures

The Owner of the Qualifying Facility shall cooperate with FDU in developing mutually acceptable operating procedures for the delivery of the electrical output from the Qualifying Facility and associated interconnection. The Owner will be responsible for operating the Qualifying Facility and associated equipment in a manner that will not cause undesirable and harmful effects, unusual fluctuations and disturbances to occur on the electrical system of FDU or FDU' customers. Any future changes to the interconnection relay settings must receive the approval of FDU System Protection personnel before implementation.

A-3.2 Disconnect Equipment

The Owner shall provide equipment for manually disconnecting and isolating the Qualifying Facility from the FDU electrical system. An outside-mounted visible disconnect shall be installed on the Owner's side of the point of delivery/receipt near the meter or mutually agreed upon location. Such equipment must be capable of preventing the Qualifying Facility from energizing the FDU service wires and must include a device which, at FDU's discretion, FDU employees can operate and lock in place.

The Owner shall also provide equipment to automatically disconnect and isolate the Qualifying Facility from FDU during a service interruption. The automatic disconnect shall receive its voltage and frequency referenced from the FDU service wires. The automatic disconnect shall not close without proper voltage and frequency from the FDU service wires. Such equipment must be capable of preventing the Qualifying Facility from energizing FDU service wires during a service interruption. Please refer to the latest IEEE standard 1547 section on "Islanding."

A-3.3 Fault Protection

Adequate protection facilities shall be provided by the Owner to protect the FDU service wires from fault currents originating from the Qualifying Facility. The Owner shall also be responsible to provide adequate protection for the Qualifying Facility from fault currents originating in FDU.

A-3.4 Over/Under Voltage

It shall be the responsibility of the Owner to provide adequate protection or safeguards to prevent damage to FDU caused by over/under voltages originating in the Qualifying Facility and to protect the Qualifying Facility from inadvertent over/under voltage conditions originating from the FDU electrical system. Please refer to the latest IEEE standard 1547 for voltage ranges and clearing times when setting the interconnection relay.

A-3.5 Synchronization

The Owner shall provide adequate facilities for the proper synchronization of the Qualifying Facility with FDU service wires such that such synchronization is accomplished without causing undesirable currents, surges or voltage dips on the FDU electrical system. FDU employs automatic reclosing on its system circuit breakers. A fault and the subsequent breaker trip and reclose can cause an out-of-phase condition to exist between FDU and the customer generation facility. Following a period of interruption, the proper resynchronization of the Qualifying Facility shall be the responsibility of the Owner. The Owner shall keep the Qualifying Facility disconnected from the FDU Electrical System until resynchronization is established.

A-3.6 Grounding

The Owner shall ground the Qualifying Facility and associated equipment in such a manner that coordination is maintained with the relay protection system in use by FDU and the Qualifying Facility is protected from being subject to deleterious voltage and excessive current conditions.

A-3.7 Harmonics

Adequate design precaution must be taken by the Owner to prevent excessive and deleterious harmonic voltages and/or currents caused by the Qualifying Facility from occurring on the electrical system of FDU or to FDU' customers. The Qualifying Facility must be designed to operate with normal harmonic voltage and currents that originate from the FDU electrical system. Please refer to the latest IEEE standard 1547.

A-3.8 Power Factor

The operation of the Qualifying Facility shall not produce nor consume excessive reactive power. Should the power factor fall outside acceptable limits either lagging or leading, as determined by FDU, the Owner shall undertake the necessary modifications to meet the required power factor level.

A-3.9 Voltage Regulation

The Owner shall provide the necessary voltage regulation equipment to prevent the Qualifying Facility from causing excessive voltage variations on the FDU electrical system. The voltage variation caused by the Qualifying Facility must be within the ranges capable of being handled by the voltage regulation facilities used by FDU.

A-3.10 Voltage Flicker

Voltage surges or flickers caused by the operation, synchronization or isolation of the Qualifying Facility shall be within the standards of frequency of occurrence and magnitude established by FDU to prevent undue voltage flicker on the FDU electrical system. The Owner shall provide suitable equipment to reasonably limit voltage fluctuations caused by the Qualifying Facility.

A-3.11 Voltage Balance

The voltage produced by the Qualifying Facility must be balanced if it is a three-phase installation. The Owner shall be responsible in protecting the Qualifying Facility from an inadvertent phase unbalance in FDU service voltage.

A-3.12 Over/Under Frequency

The Owner shall provide the necessary facilities for safeguards and protection of equipment caused by the incurrence of an over or under frequency event. Please refer to the latest IEEE standard 1547 for frequency ranges and clearing times when setting the interconnection relay.

A-3.13 Emergency Dispatchability

An emergency condition exists when the reliability of the electric system is in jeopardy and customer service is threatened. During emergency conditions, the Owners of Qualifying Facilities may be asked to place control of their facilities under the direction of FDU until the electric system has returned to normal operation. FDU will determine when generation should be adjusted, brought on-line or shut down. If the Owner chooses to cooperate during these emergency conditions, they should be able to alter their generation schedules as directed by FDU' system operators.

A-4 Continuity of Service

FDU shall not be obligated to accept and FDU may require the Qualifying Facility to curtail, interrupt or reduce deliveries of energy in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of its equipment or any part of its electrical system or if it determines that curtailment, interruption or reduction is necessary because of emergencies, forced outages, operating conditions on its electrical system or as otherwise required by prudent electrical utility practices. Such discontinuance of service or purchases shall be without notice or liability. The Owner of the Qualifying Facility shall promptly notify FDU of any extended Qualifying Facility outage along with the estimated duration of such outage or reduction. Any violation of the terms and conditions of the Agreement or FDU Service Regulations shall result in the immediate termination of the Agreement without notice or liability.

A-5 Metering

A-5.1 Ownership and Maintenance

FDU shall install, own, maintain and test all billing meters and associated equipment that is necessary in FDU' judgment to determine amounts and/or times of delivery of energy by the Qualifying Facility to FDU and from FDU to the Qualifying Facility and any associated load. The cost of any additional metering will be recovered by FDU in a monthly billing for interconnection and special facility's costs. The Qualifying Facility shall furnish the meter socket(s) and other related equipment plus sufficient space required by FDU in order to accommodate such equipment. The Owner of the Qualifying Facility agrees to allow FDU, at FDU' expense, to install additional metering to obtain other load and operating data provided such metering does not adversely affect the operations of the Qualifying Facility.

A-5.2 Sealed Meters and Testing

All meters used to determine the billings shall be sealed and the seals shall be broken by FDU employees only upon those occasions when the meters are to be inspected, tested or adjusted. If requested to do so by the Qualifying Facility, FDU shall inspect or test the meter(s) with the expense of such an inspection or test being paid by the Qualifying Facility unless upon being tested or inspected the meter is found to register inaccurately by more than two percent of full scale. FDU shall give reasonable notice of the time when any inspection or test shall take place such that the Owner may have a representative present at the test and inspection. If a meter is found to be inaccurate beyond two percent or is otherwise defective, it shall be repaired or replaced, at FDU' expense, in order to provide accurate metering.

A-5.3 Adjustments

If any test of metering equipment discloses any inaccuracy of more than two percent, the accounts between the Parties shall be adjusted in accordance with this section. Such correction and adjustment shall be made from the date the meter became inaccurate, if known. If such data cannot be determined, then the adjustment shall be made for the previous month or from the date of the latest test (if within the previous month) and for the elapsed period in the month during which the test was made. Should any metering equipment at any time fail to register or should the registration thereof be so erratic as to be meaningless, the amounts of energy transacted shall be determined by the Parties from the best available data.

A-5.4 VAR Metering

At FDU' option, VAR metering may be installed by FDU at the Qualifying Facility's expense to measure reactive power.

A-6 Billing and Payment

Once a billing month, FDU shall read the billing meter(s) installed to measure energy and capacity (real and reactive, if applicable) delivered to FDU from the Qualifying Facility. FDU shall then prepare a statement computing the amounts owed by FDU for such energy. From this amount, FDU shall deduct any amounts owed by the Owner of the Qualifying Facility to FDU for any additional interconnection, metering, and billing associated with the Qualifying Facility. The billing and payment shall be in accordance with adopted FDU regulations regarding such items.

A-7 Uncontrollable Forces

A Party shall not be considered to be in default in respect to any obligation hereunder if prevented from fulfilling such obligation by reason of uncontrollable forces. The term uncontrollable forces shall be deemed for the purposes hereof to mean storm, flood, lightning, earthquake, fire, explosion, civil disturbance, labor disturbance, sabotage, war, national emergency, restraint by court or public authority or other causes beyond the control of the Party affected which such Party could not reasonably have been expected to avoid by exercise of due diligence and foresight. Either Party unable to fulfill any obligation by reason of uncontrollable forces will exercise due diligence to remove such disability with reasonable dispatch.

A-8 Indemnity and Liability

Each Party shall indemnify the other Party, its officers, agents, and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation, or maintenance of, or by failure of, any of such Party's works on facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity.

Nothing in this Agreement shall be construed to create any duty to any standard of care with reference to or any liability to any person not a Party to this Agreement.

At FDU' request, the Owner shall furnish to FDU copies of any property or liability insurance on the Facility.

A-9 Waiver

Any waiver at any time by either Party of its rights with respect to default under this Agreement shall not be deemed a waiver with respect to any subsequent default by the other Party under this Agreement.

A-10 Successors, Legal Representative or Assigns

This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives, or assigns of the respective Parties. Neither Party shall assign this Agreement without the express written consent of the other Party, nor shall a Party be relieved of its obligations hereunder or impose additional obligations or burdens on the other Party by any assignment given.

A-11 Governmental Jurisdiction and Authorization

This Agreement is subject to the jurisdiction of those governmental agencies having control over the Parties or the Agreement. This Agreement shall not become effective until all required governmental authorization and permits are first obtained and copies are submitted to FDU.

This Agreement shall at all times be subject to such changes by such governmental agencies, and the Parties shall be subject to such conditions and obligations, as such governmental agencies may from time to time direct in the exercise of their jurisdiction. Both Parties agree to exert their best efforts to comply with all applicable rules and regulations of all governmental agencies having control over either Party or this Agreement. The Parties shall take all reasonable action necessary to secure all required governmental approvals of this Agreement in its entirety and without change.

Appendix B

Loss Factor Adjustment

The purchase rate or avoided energy cost is calculated at the FDU defined inlet of such energy. The purchase rate for energy delivered to FDU shall be adjusted by a factor of 1.039 to reflect the savings resulting from the variation in local transmission and distribution losses compared to if FDU had generated or purchased elsewhere an equivalent amount of energy. Loss Factor Adjustment is included in the "Renewable Net Metering Rate" listed in Section 1 of this document.

Appendix C

Additional Interconnection Costs

All interconnection costs above and beyond the normal costs of interconnection with a retail customer of like load characteristics are to be recovered from the Qualifying Facility. The additional FDU interconnection cost associated with this Facility is 1 or 2 below as applicable.

1. Additional Metering Investment for 200 amp service, watt hour meters.

The 2009 incremental standard kWh in/out metering cost per month is \$2.81. Such charge will be reviewed by FDU and is subject to change on a periodic basis.

2. Additional Metering Investment for other than 200 amp service and/or interval recording meters.

The metering cost will be determined on a case by case basis. These costs typically involve services with greater than 200 amps capacity and/or for interval recording meters.

FDU intends to waive the additional FDU metering and energy accounting costs incurred for the Qualifying Facility until December 31, 2012. By such date, FDU shall again review such policy and made a determination regarding the future and amount of such charges. The waiver of the right to collect such charges until December 31, 2012 shall not be deemed a waiver past that date.