

**THE NARRAGANSETT ELECTRIC COMPANY**  
**Terms and Conditions for Nonregulated Power Producers**

The delivery of electricity shall be in accordance with the provisions of law, regulation and these Terms and Conditions. Customers may purchase power only from Nonregulated Power Producers who meet the terms described below and are registered in good standing with the Rhode Island Division of Public Utilities and Carriers (“Division”), and (i) have a fully executed Market Participant Service Agreement with ISO-NE and a settlement account with ISO-NE, or (ii) have an agreement in place with an entity that has a fully executed Market Participant Service Agreement with ISO-NE whereby such entity agrees to include the load to be served by the Nonregulated Power Producer in such entity’s settlement account with ISO-NE.

**1.0 Obligations of Parties**

**1.1 Customer**

The Customer is the end user taking electric service and utilizing it at his or her home or facility. The Customer must be a Customer of record of The Narragansett Electric Company (hereinafter, the “Company”). Each Customer is identified by a number assigned by the Company. This location identification number, which is unique to a Customer’s home, facility or portion thereof is also referred to as the Customer Delivery Point.

A Customer will select one registered Nonregulated Power Producer (hereinafter “Supplier”) from which to purchase electrical power at any given point in time. For purposes of billing and financial responsibility, each Customer Delivery Point will also be identified as an Account by the Company and assigned an Account number.

**1.2 Distribution Company**

The Company is responsible for providing local distribution services from the Transmission Delivery Point(s), as defined within these Terms and Conditions, to the Customer Delivery Point(s) which shall be the meter point for each Account.

Narragansett will:

- arrange for (i) regional network transmission service over NEPOOL PTF and (ii) Local network transmission service from NEPOOL PTF to the Company’s Distribution System for each Customer,
- deliver power over distribution facilities to each Customer Delivery Point,
- provide customer service and support for delivery service, and if contracted by the Supplier, for generation service,
- respond to service interruptions or power quality problems,
- handle connections and terminations,
- read meters,
- submit bills for local distribution services and generation services of the Customer’s Supplier, unless the Customer requests separate billing of generation service from the Supplier,
- for Customers who receive one bill for both distribution and generation service, collect and forward payments for generation service to Suppliers, according to established cash posting practices,

- address billing inquiries for the local distribution services bill portion and, if contracted by the Customer's Supplier, the generation services portion,
- answer general questions about local distribution service,
- process the electronic business transactions submitted by Suppliers, and send the necessary electronic business transactions to Suppliers,
- report Suppliers' estimated and metered loads, including local network transmission and distribution losses, to ISO-NE,
- report aggregate loads to Suppliers electronically, upon request, and
- for Customers taking Last Resort Service, release Customer information (name, account number, service address, billing address, rate class, and cycle number) to a Municipal Aggregator operating a Municipal Aggregation Program serving the municipality or group of municipalities in which the Customer takes Last Resort Service.

### **1.3 Supplier**

A Supplier is a non-regulated power producer who has registered with the Division as a provider of electric generation service to Customers in Rhode Island. Suppliers shall comply with the Rhode Island Public Utilities Commission's ("R.I.P.U.C.") Reliability and Responsibility Regulations for Nonregulated Power Producers. The Supplier is solely responsible for paying all costs incurred or to be incurred to provide its all-requirements service obligation in the same manner as if the Company were to provide such all-requirements service, including, without limitation, all costs or other requirements to furnish capacity, energy, operating reserves, automatic generation control, uplift costs, congestion charges, and any other ancillary services, expenses or charges incurred to provide all-requirements service; or costs imposed by NEPOOL, ISO-NE or any similar or successor entity in connection with such service. The Supplier is solely responsible for meeting any other requirements and paying any other costs now or hereafter imposed by the ISO-NE which are attributable to the provision of such service.

All Suppliers shall meet the requirements of these Terms and Conditions.

#### ***1.3.1 NEPOOL Registration***

Each Supplier must meet all registration and licensing requirements established by law and regulation, and (i) have a fully executed Market Participant Service Agreement with the ISO-NE and a settlement account with ISO-NE, or (ii) have an agreement in place with an entity that has a fully executed Market Participant Service Agreement with ISO-NE whereby such entity agrees to include the load to be served by the Nonregulated Power Producer in such entity's settlement account with ISO-NE.

Suppliers must provide to the Company written notification of the name of the NEPOOL Participant that owns the Settlement Account for the Suppliers' loads. This information needs to be provided to Narragansett one time, and must be received at least 2 days prior to the Supplier's enrollment of its first Customer. Suppliers may change to another NEPOOL Participant by providing the Company with reasonable advance written notice and a letter from the new NEPOOL Participant.

#### ***1.3.2 Testing***

A Supplier shall be required to complete testing of the transactions included in the Company's electronic data interchange ("EDI") procedures prior to the initiation of

generation service to any Customers in the Company's service territory. Such testing shall be in accordance with the rules and procedures set forth by the Company.

### ***1.3.3 Customer Participation***

Once a Customer has indicated their choice of Supplier to the chosen Supplier, that Supplier must provide Narragansett with certain information electronically in accordance with EDI. All electronic information interchange will occur via a Company approved electronic transmission vehicle, which may change from time to time. Presently, the Company is using an Inside Agent application for transfer of data. The Supplier transaction information, which includes specifics regarding customer identification and billing selection for generation service, must be received at least four (4) business days prior to the commencement of service.

If the enrollment data are correct, the Company will electronically inform the new Supplier of the commencement date for service (coincident with the Customer's next scheduled meter read date) and will inform the outgoing Supplier, as applicable, of the termination date of their obligation to provide generation service. If the data are incomplete or incorrect, the Company will not be able to enroll the Customer with the new Supplier and the Supplier will be notified electronically of the error, so that the data may be corrected and resubmitted for processing. If the outgoing Supplier indicates an intention to challenge the legitimacy of the change, the Customer will still be enrolled with the new Supplier unless and until the Company receives a written confirmation from the Customer or representative of the Customer, stating unambiguously that the Customer should be returned to the outgoing Supplier. The Company will then enroll the Customer with the former Supplier prospectively, subject to any timing restrictions that could delay such enrollment to the next scheduled meter read date. The Company shall have no liability or responsibility for the consequences to Suppliers or the Customer for complying in such case with the instructions of a Customer regarding enrollment with a Supplier. All other enrollments must follow the procedures set forth in these terms and conditions.

In the event that a Customer selects more than one Supplier, and those Suppliers attempt to enroll that Customer for the same cycle meter-read period, the Company shall respond as follows:

The Company shall process the first valid enrollment transaction received during the enrollment period. Once received, any other enrollment transaction submitted for the same Customer during the enrollment period will be rejected. The enrollment period commences one (1) business day prior to the Customer's scheduled cycle meter-read date and ends four (4) business days prior to the Customer's next scheduled cycle meter-read date.

Whenever an Account becomes inactive as a result of a Customer moving within the Company's service territory, the Customer will have the option to keep their existing Supplier at their new location or receive Last Resort Service.

Whenever an Account becomes inactive, as a result of a Customer moving outside the Company's territory, the Supplier assignment for that Account is discontinued.

Customers will begin service from their chosen Supplier on the Customer's normal cycle meter read date following notification, except when notification occurs four (4) or fewer business days prior to the cycle meter read date. In that case, the assignment will be made on the cycle meter read date in the following month.

Suppliers requesting the enrollment of a new Customer, or a Customer that is switching to them, will be presumed to have obtained the authorization of the customer by an approved method. A request by the Supplier, to the Company, that contains both the Customer's account number and first four characters of the account name will be deemed as confirmation that the Customer has consented to the enrollment or switch.

#### **1.4 Dispute Resolution**

The Company will not be responsible for the resolution of disputes between Suppliers and Customers. Any disputes relating to compliance with these terms and conditions or the regulations of the R.I.P.U.C. or Division may be referred by the Company, the Supplier or the Customer to the Division and such disputes shall be subject to the regulatory oversight of the Division or R.I.P.U.C., as applicable.

### **2.0 Billing and Customer Service**

#### **2.1 Supplier Billing**

The Company shall issue a single bill for electric service to all Customers in its service territory; provided, however, that Customers of Suppliers may request the Supplier to provide a separate bill for generation service provided by the Supplier. Should a Customer opt for a separate generation bill, each Supplier will be responsible for billing their Customers for the cost of generation service provided by the Supplier and collection of amounts due to the Supplier from their Customers. The Company will read meters on a monthly cycle and will use reasonable efforts to provide to the Supplier(s) on the next business day following the meter read, an electronic file containing the applicable billing determinants and records of billing data for each Account. The Company will make diligent efforts to read all Customer meters in accordance with its terms and conditions as approved by the R.I.P.U.C. The record format for the file transfer will be in accordance with EDI. All electronic files, with the exception of payments, are presently transmitted using the Inside Agent application. Payment of funds collected on behalf of the Supplier are transferred electronically via an Automated Clearing House ("ACH") bank funds transfer.

The billing of other costs will vary depending on the billing option utilized as discussed in the following sections. The Company offers the following standard and optional billing services:

##### ***2.1.1 Standard Complete Billing Service***

###### **(1) Eligibility for Purchase of Receivables ("POR") Program**

Suppliers that choose the Standard Complete Billing Service, either for all or a portion of their customer accounts in a class ("Participating Suppliers") will be required to sell their accounts receivable to the Company relating to Generation Service for those customers for whom the Company issues a Standard Complete Bill.

For the Residential Customer Group, as defined below, Suppliers in the POR program are required to use Standard Complete Billing Service, for all Residential accounts and to sell all accounts receivables associated with the Residential Customer Group to the Company.

For Commercial and Industrial Customer Groups, as defined below, Suppliers may elect to participate in the POR program for a portion of those accounts. Suppliers that participate in the POR program for a portion of their commercial and industrial accounts are required to use the Standard Complete Billing Service and to sell the accounts receivables associated with those accounts to the Company. For remaining commercial and industrial accounts, Suppliers must elect to directly bill the remaining accounts instead of participating in the POR program.

(2) Billing Procedure and Payment to Suppliers

Under the Standard Complete Billing Service, Suppliers would provide the Company with rates and pricing structures to be implemented for designated Company rate classes. Narragansett would use the supplied rates to calculate the Supplier portion of Customer bills, then integrate this billing with the delivery service components of the bill in a single mailing to the Customer.

Suppliers must adhere to rate classes and rate/pricing structures which follow the Company's format and meet the availability clauses of the Company's retail delivery tariffs on file with the PUC.

If Suppliers make a written request for different rate classes or rate structures, the Company will consider accommodating reasonable changes to its billing system. The requesting Supplier will be responsible for any costs incurred to make the designated changes, which will be quoted by the Company to the Supplier in advance of any changes.

Payments to Suppliers will be made in a lump sum for all Customers revenue due to the Supplier in a given day. These lump sum Supplier payments will be transferred via a three-day ACH transaction and credited to a predetermined Supplier bank account. Each Supplier must provide the Company with the name of the receiving bank, routing and transmit number (ABA number) and bank account number to facilitate this transfer. The account detail of the Supplier credited amounts will be provided by a separately transmitted electronic file which includes a detailed payment breakdown of individual Customer payments. The format of the record to be transmitted will be in accordance with EDI.

a. Timing of Payment to Participating Suppliers

The payment to Suppliers of the amounts computed in accordance with the provisions of paragraph 2.1.1(2)b, below, shall be made consistent with the average payment period of the relevant Customer Group.

Unless otherwise ordered by the R.I.P.U.C., the average payment period shall be based on actual historical data for the most recent 12-month

period for which data is available in the relevant classification, or other appropriate period, as approved by the R.I.P.U.C. No later than February 15 of each year beginning in 2023 (or next business day thereafter if the 15<sup>th</sup> falls on a weekend or holiday), the Company shall file with the R.I.P.U.C. data on the average historical payment period that will be in place for the subsequent year beginning April 1. The Standard Complete Billing Percentage computed in accordance with the provisions of paragraph 8B(2)b, below, will remain in effect for the entire year, unless a change is otherwise approved by the R.I.P.U.C.

b. Amount of Payment to Participating Suppliers

The Company shall pay the Participating Supplier the full amounts due from Customers for Generation Service, less (a) the full amounts due from Customers for Generation Service multiplied by (b) the Standard Complete Billing Percentage as defined below. For any customer that has elected Budget Billing, the full amounts due for Generation Service shall be based on the customer's actual usage, rather than the amount the customer is billed under the Company's Budget Billing Program. In all other instances, the full amounts due for Generation Service shall be based on the amount actually billed to the Customer.

No later than February 15 of each year beginning in 2023 (or next business day thereafter if the 15<sup>th</sup> falls on a weekend or holiday), the Company shall file with the R.I.P.U.C. the percentages that will be in place for the subsequent year beginning April 1. The percentages will remain in effect for the entire year unless a change is otherwise approved by the R.I.P.U.C. The percentages shall be computed in accordance with the following formula:

$$SCBP_{CG} = UP_{CG} + ACP_{CG} + PPRP_{CG}$$

Where

CG = The Customer Group defined as Customers in a rate class or classes as designated by the Company and approved by the R.I.P.U.C.

For purposes of this calculation, Customer Groups are defined as follows:

“Residential” shall mean those customers receiving retail delivery service on the following tariffs of the Company: Regular Residential Rate A-16 and Low-Income Residential Rate A-60.

“Commercial” shall mean those customers receiving retail delivery service on the following tariffs of the Company: General Service - Small Commercial and Industrial Rate C-06, General Service C&I Rate G-02, and Streetlighting Rates S-05, S-06, S-10, and S-14.

“Industrial” shall mean those customers receiving retail delivery service on the following tariffs of the Company: Large Demand Back-up Service Rate B-32, Large Demand Rate G-32, and Electric Propulsion Rate X-01.

$SCBP_{CG}$  = Standard Complete Billing Percentage for the Customer Group to be multiplied by the full amounts due from Customers for Generation Service and to be deducted from the full amounts due for Generation Service.

$UP_{CG}$  = Uncollectible Percentage is the uncollectible expense for the Customer Group, exclusive of uncollectible expenses for existing receivables described in section 2.1.1(3)b., based on actual data for the most recent period for which data is available prior to the annual filing, unless otherwise determined by the R.I.P.U.C, divided by the total amounts billed by the Company, including late payment fees if included in uncollectible expense, to that Customer Group for the same period.

During the initial period (the initial period shall run from the effective date of POR through March 31, 2023) of program operation, the Uncollectible Percentage is the uncollectible expense for the Customer Group based on actual data, excluding uncollectible expenses related to amounts billed by the Company for Generation Service purchased from Participating Suppliers, divided by the total amounts billed by the Company, including late payment fees if included in uncollectible expense and excluding amounts billed by the Company for Generation Service purchased from Participating Suppliers, to that Customer Group. The period used to calculate the first Uncollectible Percentage will be the most recent 12-month period for which data is available prior to the first filing.

$ACP_{CG}$  = Administrative Cost Percentage is total forecasted Administrative Costs to be recovered for the subsequent year divided by the total amounts billed for Generation Service by the Company for the most recent 12-month period for which data is available prior to the annual filing.

Administrative Costs shall include (1) the amortization of costs over three years or other term approved by the R.I.P.U.C., including carrying costs calculated at the Bank of America Prime Interest Rate, directly related to the development and implementation of changes to billing, information and accounting systems directly related to the implementation of the billing procedures

necessary to incorporate the POR program into Standard Complete Billing Service as instituted in accordance R.I. Gen. Laws § 39-1-27.3 and (2) ongoing administrative costs directly associated with providing such Standard Complete Billing Service, to the extent approved by the R.I.P.U.C. Ongoing administrative costs shall include the cost of working capital associated with the POR program.

$PPRP_{CG}$  = Past Period Reconciliation Percentage for the Customer Group is the sum of the following three percentages:

(1) the percentage associated with the difference between estimated uncollectible expense reflected in the SCBPcG applied to the full amounts due to Participating Suppliers for the applicable 12-month period and the actual uncollectible expense incurred over the same 12-month period, calculated as:

(i) the difference between (a) the uncollectible expenses actually experienced for previous year(s) for Customers in the Customer Group for which the Company billed under Standard Complete Billing over the applicable 12-month period, calculated by multiplying the total amounts billed to Customers in the Customer Group under Standard Complete Billing over the applicable 12-month period by the actual  $UP_{CG}$  for the same twelve month period, and (b) the total amounts billed to Customers in the Customer Group under Standard Complete Billing over the applicable 12-month period multiplied by the applicable  $UP_{CG}$  from the previous year, plus

(ii) the difference between (a) the uncollectible expenses actually experienced associated with the purchase of existing receivables from Participating Suppliers and (b) the total amounts actually deducted from payments to Participating Suppliers for the purchase of their existing receivables.

(iii) divided by the total amounts billed to Customers in the Customer Group under Standard Complete Billing for the same 12-month period.

(2) the difference between (a) the Administrative Costs actually incurred for previous year(s) for Customers in the Customer Group purchasing Generation Service

from Participating Suppliers; and (b) the total amounts actually billed to Customers in the Customer Group for Generation Service purchased from Participating Suppliers for those years times the applicable  $ACP_{CG}$ , divided by the total amounts billed to Customers in the Customer Group purchasing Generation Service from Participating Suppliers by the Company for the most recent 12-month period for which data is available prior to the annual filing.

(3) Interest calculated on the average monthly balance of the Past Period Reconciliation using the customer deposit rate, divided by the total amounts billed to Customers in the Customer Group for Generation Service purchased from Participating Suppliers by the Company for the most recent 12-month period for which data is available prior to the annual filing.

c. Information Required to be Filed with the R.I.P.U.C.

Information pertaining to the annual filing pursuant to paragraph 2.1.1(2)a, and paragraph 2.1.1(2)b, above, and any other filings to seek changes to the above provisions shall be fully documented and include updated information relating to preliminary reconciliation data for the year in which the filing is made, with actual reconciliation amounts to be submitted the subsequent year.

(3) Implementation of POR Program

a. Effective Date

The POR program shall take effect no later than January 23, 2022 or as otherwise approved by the R.I.P.U.C.

b. Existing Receivables

Pursuant to a Billing Services Agreement applicable to the POR program, the Company shall pay a Participating Supplier for amounts already existing as outstanding accounts receivables of the Participating Supplier at the commencement of the POR program. The amounts purchased for the Existing Receivables shall be subject to full reconciliation in accordance with the  $PPRP_{CG}$  provision in paragraph 2.31.1(2)b above.

(4) Security Interests

Pursuant to the Billing Services Agreement applicable to the POR program, Participating Suppliers shall grant the Company a first priority perfected security interest in the accounts receivable that the Company will be purchasing through the POR program. A Participating Supplier shall be authorized by the Company to place a security interest on the accounts receivable from the Company to the Participating Supplier associated with

the purchase by the Company of the Participating Supplier's accounts receivable.

### **GROSS EARNINGS TAX**

The Supplier is the taxpayer with respect to the gross earnings tax ("GET") imposed by Title 44, Chapter 13 of the General Laws of Rhode Island on its sales of electricity delivered to customers. The Supplier reports taxable gross receipts from sales of electricity on its own GET returns and is responsible to remit any related taxes, including any estimated tax payments, to the State. The Supplier is responsible for the GET obligations imposed on it by the State of Rhode Island and for the determination of the correct GET rate applicable to its sales. The Supplier is responsible to maintain any "Manufacturer's Certificates for the Rate Reduction for Electricity and Gas Used in Manufacturing" necessary to support the GET rates applicable to Supplier sales.

The Company will separately state on the Customer's bill any GET amounts, computed with respect to the GET rate provided by the Supplier. In addition, the Company will separately state on the Customer's bill any GET credit, computed with respect to the GET credit rate provided by the Supplier. If the amounts which the Company billed for electricity, separately stated gross earnings tax and separately stated GET credit are later determined to be incorrect, any corrections will be the responsibility of the Supplier.

If the Customer was overcharged, the Supplier must refund the overcharges directly to the Customer. If the Customer was undercharged, the Supplier must seek recourse directly from its Customer. Further, the Supplier is responsible for any amendments to its GET returns made necessary by errors in the amounts it requests be billed to its Customers, as well as any GET assessments imposed on it by the State, including related interest and penalties. The Company has no responsibility for the Supplier's GET liabilities to the State of Rhode Island or for any amounts the Supplier's Customers claim to have been overcharged.

### **OTHER REQUIRED COSTS**

Any other costs to be billed to the Customers, which are required to be separately displayed on the bill in accordance with Rhode Island law, must be provided by the Supplier to the Company.

Existing Company service fees, such as interest charges for unpaid balances, bad check charges, etc., shall remain in effect and be assessed, as applicable, to each Account according to the Company's Terms and Conditions for Distribution Service, applicable to all Customers. The cash posting sequence for customer payments to Accounts will be in accordance with EDI.

#### ***2.1.2 Standard Passthrough Billing Service***

The Company may offer Standard Passthrough Billing Service to Suppliers for those Customers that have elected such service. If the Company elects to offer Standard Passthrough Billing Service, the Company reserves the right to obtain confirmation from a Customer being served by a Supplier that such election has been made. Under this option, the Company will electronically transmit Customers' usage/demand information obtained via meter reads to the Supplier. The record format is in accordance with EDI.

With this billing option, Suppliers will use this data to calculate the generation services of the Customer bills, including any applicable taxes or other costs required by law to be separately stated, and mail a separate Supplier bill to the Customer.

### ***2.1.3 Passback Billing Service***

The Company may provide Passback Billing Service to Suppliers for those Customers that have elected such service. This optional service anticipates that some Suppliers will elect to maintain the confidentiality of their pricing structures. Under this option, the Company will pass Customers' usage and demand information obtained via meter reads to the Supplier and the Supplier will pass back to the Company a bill amount for inclusion in each Customer's bill. In addition, the Supplier will separately pass back to the Company any applicable gross earnings tax amount and any other costs required by law to be separately displayed on the bill. To offer this service, the Company needs to establish the specific procedures, requirements and data formats to be followed. If any Suppliers express an interest in this option, the Company will develop such procedures, requirements and formats and file them with the R.I.P.U.C. at the time of implementation.

### ***2.1.4 Summary Billing***

The Company may offer a summary billing option to qualified Customers with multiple electric service Accounts. Designed to consolidate multiple individual account billings on a single bill format, this optional service allows Customers to pay numerous accounts with one check. Under this option, monthly billing for a Customer with multiple Accounts will occur at the time of a mutually agreed upon billing cycle extraction. The application of Gross Earnings Tax and any other costs to be billed will be in accordance with the Complete Billing Service or Passback Billing Service options described above.

## **2.2 Customer Service Options**

The Company will consider offering optional customer service support to any Supplier who elects the Complete Billing Service.

If optional customer service is offered to Suppliers, the Company will provide any Supplier with a unique toll-free phone number which will be printed on the Supplier portion of a Customer's bill. Telephone calls will be answered using the appropriate Supplier's name and operators will be able to respond to a wide variety of call types.

If optional customer service support is provided to Suppliers, the Company will customize the pricing for services to meet the individual needs of Suppliers, based on factors such as the volume of calls, requested hours of coverage and/or the specific number of customer service representatives requested.

## **2.3 Service Disconnection Procedures**

Should the Customer fail to pay the full amount billed by Narragansett, for delivery services, the Company may disconnect the Customer pursuant to the current R.I.P.U.C. procedures for disconnection which apply to Customers of the applicable rate class. The Company will provide notification electronically to the Supplier of any Customer receiving a final bill as a result of a disconnection. Once a final bill is issued to the Customer, supply to the Customer is no longer

the obligation of the Supplier. The Company shall not be liable for any and all revenue losses to the Supplier for participants lost due to any disconnection.

The Supplier may discontinue supply to a Customer in conformance with the specific Customer/Supplier contract. Suppliers will provide the Company with electronic notice of intent to discontinue supply four (4) or more business days prior to the Customer's scheduled meter read. Service by the Supplier will terminate upon the next scheduled meter read from the time of this electronic notice. Customers whose service from a Supplier is discontinued will become Last Resort Service Customers of the Company, unless or until they enroll with a new Supplier.

#### **2.4 Distribution Service Interruptions**

The Company shall provide firm local distribution service to each Customer. In the event that the loading of the distribution system, or a portion thereof, must be reduced for safe and reliable operation, such reduction in loading will be proportionately allocated among all Customers whose load contributes to the need for the reduction when such proportional curtailments can be accommodated within acceptable operating practices.

In the event of power outages, the Company shall restore electrical service to Customers in accordance with the Company's service restoration procedures, as filed with the R.I.P.U.C. from time to time.

Any other service interruptions which the Company is required to make for planned maintenance of the distribution and transmission system will be made according to normal operational procedures.

#### **2.5 Release of Customer Information**

It is recognized that from time to time Suppliers may request information about customers. Suppliers seeking information about Customers will be instructed to obtain a written consent from a Customer before the Company will disclose any such information, consistent with the procedures set forth below. Upon a Supplier obtaining written consent, the Company shall be required to provide twelve months' of a Customer's historic usage data to the Supplier.

The written consent should include a statement substantially the same as the following:

“[CUSTOMER] authorizes [NAME OF Supplier] to obtain twelve months' of historical usage data from Narragansett Electric.”

The written consent must be signed by the Customer and include the account number(s) that are authorized for release. If the Customer is a company, it must be signed by an officer on behalf of the company. The Supplier shall be required to keep the consent form on file and produce it upon request.

The Supplier will submit to the Company, using the EDI transactions, an Historical Usage Transaction containing the customer account number and first four characters of the Customer's name. Once the Company receives this transaction, the Company presumes that the Supplier has obtained appropriate authorization and will send the usage information to the supplier via EDI.

The Company reserves the right to provide standard billing information directly to the Customer, who in such case will have the discretion to provide it to the Supplier. In such case, the Company will inform the Supplier that the data has been delivered to the Customer and may be obtained directly from the Customer.

## **2.6 Providing Non-Residential Customer Lists**

The Company understands that in order to assist in the advancement of the retail market in Rhode Island, the Company may provide non-residential customer lists to licensed Suppliers that have signed a confidentiality agreement with the Company indicating that they would only use the information provided to market energy-related products and services. The list provided by the Company shall include the Customer's name, service address, mailing address, and energy information including rate class, 12 months historical usage information (kWh, kW and kVa if applicable), meter read cycle, and voltage indicator.

## **3.0 Metering**

The meter that is currently installed at a Customer site will be used to meet the basic distribution company and Supplier billing requirements as well as any load estimation process requirements. The Company will own all billing meters, and have sole responsibility for meter reading, lock-outs, and programming changes.

### **3.1 Telemetering Installation Requests**

If a Supplier requests additional metering and/or telecommunication capabilities for rate calculations, or in lieu of estimation in the daily load reporting process, the Supplier is responsible for all installation, operating and maintenance costs, and must arrange for the installation and commissioning of all the necessary equipment (using a licensed electrician) in accordance with the conditions listed herein.

The Supplier is responsible for arranging the installation and maintenance of the remote access pulse recorder ("RAPR") and telephone line, subject to standards set forth by the distribution company and subject to the provision contained within the Company's Optional Enhanced Metering Service Tariff, R.I.P.U.C. No. 2203, as may be amended or superseded from time to time.

Once all the necessary equipment is installed and the Company is notified, the Company will initialize the recorder (upon Supplier request). Upon completed commissioning of the device, the Company will begin collecting load data. Until telemetering requirements are fulfilled, the Customer will be enrolled with an estimated load designation until the installation is complete and tested.

### **3.2 Product Options**

All telemetering installations will use external RAPR's unless and until other acceptable technologies become available. The RAPR is connected to the meter and is programmed with the correct energy values associated with each pulse output and quantity measured by the meter. There are a number of RAPR products on the market. The Company's requirement is that the RAPR data format be supported by the MV-90<sup>1</sup> data collection system.

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<sup>1</sup> MV-90 is the product name of the data collection system built and maintained by Utility Translation

### **3.3 Installation and Maintenance of Telephone Line**

In all cases, the Supplier must provide the Company telephone access to the RAPR. The Supplier must notify the Company of the telephone number once it becomes available in order for the Company to access the RAPR electronically. The installation and ongoing operating and maintenance costs of the telephone line will be borne by the Supplier. It is the obligation of the Supplier to notify the Company of any change affecting the availability of the phone line for the duration of the prevailing Customer contract.

### **3.4 Ownership and Maintenance Responsibilities**

The Company owns all billing meters and is responsible for their installation, maintenance, and testing for accuracy. The Company's meter reading, meter testing, meter maintenance, meter security and data collection practices will continue and be unaffected by the presence of the Suppliers' RAPRs. Tests of meter accuracy may be requested by either the Customer or the Supplier, under the terms approved by the R.I.P.U.C.

The Supplier owns any RAPRs and telephone lines that it installs (or pays to have installed) and is responsible for their maintenance. Should the telephone line or RAPR become unavailable and the Company is unable to collect the load profile data, the Customer's historic load profile data will be used in the estimation process. If the Customer's historic load data are unavailable, the class average load shape will be used, in accordance with the load estimation process described in Section 4.0. Once the phone line and/or RAPR access are restored and the Company is notified, use of actual Customer load data will resume.

## **4.0 Determination of Hourly Supplier Loads**

For each Supplier, hourly loads for each day shall be estimated or telemetered and reported daily by the Company to the ISO-NE for inclusion in the Supplier's designated Settlement Account. Hourly load estimates for non-telemetered Customers will be based upon load profiles developed for each customer class or Customer of the Company. The total hourly loads will be determined in accordance with the appropriate hourly load for the Company.

The Company shall normally report previous day's hourly loads to the ISO-NE in accordance with the time specified by ISO-NE which is then in effect. These loads shall be included in the Supplier's designated Settlement Account.

The hourly loads shall be determined consistent with the following steps:

- (1) The Company shall identify or develop a load profile for each customer class or each Customer for use in each day's daily determination of hourly load.
- (2) The Company shall calculate a usage factor for each Customer that reflects the Customer's relative usage level.
- (3) The Company shall develop estimates of hourly load profiles for the previous day for each Supplier such that the sum of the Supplier's loads equals the hourly metered loads

of the Company collected each day. Distribution losses, which are included in the hourly metered Company loads, shall be fully allocated into Supplier loads.

- (4) Transmission losses from local network and non-PTF facilities shall be approximated and added to the Supplier's hourly loads. The Supplier's loads shall also include losses associated with the NEPOOL PTF, as determined by the ISO-NE.

#### **4.1 Monthly Reconciliation Process**

To refine the estimates of Supplier loads, a monthly reconciliation is performed to incorporate the most recent customer usage information, which is available after the monthly meter readings are processed. The Company will make diligent efforts to read all Customer's meters in accordance with its terms and conditions as approved by the R.I.P.U.C. A comparison is made between Customer's estimated and actual usage, by billing cycle, then summed across billing cycles for each Supplier. The ratio between the actual kWh and the estimated kWh reflects the kWh amount for which the Supplier may have been overcharged or undercharged by ISO-NE during the month. This ratio is used to develop a kWh adjustment amount for each Supplier for the calendar month. The sum of the adjustments for all suppliers is zero because the total kWh is still constrained to equal the Company's actual hourly metered loads during the month.

#### **4.2 Error Handling**

The process of supplier load estimation involves statistical samples and estimating. It is not perfectly accurate and cannot be made perfectly accurate without large scale investment in special metering to record the hourly usage of all customers, as well as hourly line losses. Accordingly, some level of error will typically be reflected in the estimates. The Company shall not be responsible for any estimating errors and shall not be liable to the Supplier for any costs that are associated with such estimating errors.

To the extent that errors are identified by the Company through the monthly reconciliation process, discovery of metering errors, or through any other means, the Company will quantify and communicate these errors to ISO-NE for adjustment of supplier settlement results in accordance with NEPOOL rules.

### **5.0 Generation Requirements**

#### **5.1 Reporting to ISO New England**

The Company is responsible for reporting a set of hourly loads (including associated distribution and transmission losses) for each designated Supplier and their aggregate Customers to ISO-NE. The daily reporting of the hourly loads, and later reconciliation adjustments will be provided to ISO-NE in accordance with their scheduling requirements.

#### **5.2 Definition of Supplier Delivery Point**

Suppliers shall be obligated to deliver the capacity and energy actually used by each Account to the load zones or nodes, as applicable, at which the real-time load obligations are established in the ISO-NE Settlement Power System Model for the physical loads of Customers ("Supplier Delivery Point"). Suppliers shall be obligated to arrange for and pay all costs associated with delivery of its capacity and energy to the Supplier Delivery Point(s).

NEP will transmit the power received to the Company and deliver it to the interconnection(s) between NEP's transmission system and the Company's local distribution system (Transmission Delivery Points). This service will be provided to the Company by NEP under a transmission tariff on file at the Federal Energy Regulatory Commission.

The Company will provide local distribution service to deliver the power from the Transmission Delivery Points to the applicable Accounts (Customer Delivery Points).

### **5.3 Back up Supply Obligations**

Each Supplier will be responsible for obtaining any back up supply that it may need to service its load. The Supplier is solely responsible for paying all costs incurred or to be incurred to provide all generation-related services associated with its all-requirements service obligation, including, without limitation, all costs or other requirements to furnish installed capability, operable capability, energy, operating reserves, automatic generation control, uplift costs, congestion charges, and any other generation-related ancillary services, expenses or charges incurred to provide all-requirements service; or costs imposed by NEPOOL, ISO-NE or any similar or successor entity in connection with such service. The Supplier is also solely responsible for meeting any other requirements and paying any other costs now or hereafter imposed by ISO-NE which are attributable to the provision of such service.

### **5.4 Losses**

To compensate for transmission and distribution system losses, the Company requires Suppliers to provide an additional quantity of electricity and associated ancillary services. The quantities actually delivered to each Supplier's retail Customers, in aggregate, in each hour of the billing period, as estimated by the Company, shall be scaled to include appropriate distribution and transmission loss factors.

Suppliers providing generation service to the Company's local distribution service Customers from outside of NEPOOL will be responsible for any and all losses incurred on other transmission systems, which may also include losses on facilities linking generation to NEPOOL facilities.

## **6.0 Limitations of Liability**

The Company shall not be liable to a Supplier under any theory of recovery for any and all economic losses incurred by the Supplier (including without limitation lost profits and purchased power costs) caused by the failure of the Company to deliver electricity because of Service Problems. For purposes of this paragraph, the term "Service Problems" means any service interruption, power outage, fluctuation in voltage, amperage, or harmonics, discontinuance of service, reversal of service, or irregular service caused by accident, labor difficulties, condition of fuel supply or equipment, actions of transmission services provider(s) and suppliers, federal or state agency order, failure to receive any electricity for which the Company or Supplier has contracted, or any causes beyond the Company's immediate control.

**7.0 Transaction-Related Formats, Processes, and Field Definitions**

The Company will provide to Suppliers copies of its technical transaction-related requirements (such as formats, technical processes, and field definitions) that will be used to process Supplier transactions and which are subject to change from time to time. To the extent that any Supplier has a dispute with the Company regarding the application or modification of these technical transaction-related requirements, any Supplier may file a Complaint with the Rhode Island Public Utilities Commission, provided that the Supplier notifies the Company in writing and makes a good faith effort to resolve the dispute with the Company at least three business days in advance of such filing.