

The United Illuminating Company
Terms and Conditions
Applicable to Non-Utility Generators

In addition to the other Terms and Conditions of the Company that may be in effect from time to time and not inconsistent with the following, these provisions are applicable to the class of Customers who are directly interconnected with and normally operate their Self-Generating Facilities in parallel with the Company's electric system for the purpose of self-generation and/or power sales to the Company or to any other lawful purchaser.

(A) Definitions:

(1) *Customer-Side Distributed Generation* – The generation of electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system including, but not limited to, fuel cells, photovoltaic systems or small wind turbines.

(2) *Full Requirements Service*: Electric service (demand and energy) normally supplied by the Company to a Customer for meeting the total electric needs of the Customer.

(3) *Partial Requirements Service*: Electric service (demand and energy) supplied by the Company to the Customer in addition to the interconnected source of generation to meet the needs of the Customer. Partial Requirements Service available to the interconnected Generating Facilities includes:

(a) *Backup Service*: Electric service supplied by the Company to a Self-Generating Facility during periods of unscheduled outages of the Customer's generating facilities to replace power ordinarily generated by the Customer.

(b) *Maintenance Service*: Electric service supplied by the Company to a Self-Generating Facility to replace power ordinarily generated by the Customer during Company approved periods of scheduled outages of the Customer's generating facilities.

(c) *Supplemental Service*: Electric service supplied by the Company to a Self-Generating Facility on a regular basis in addition to the power generated by the Customer's generating facilities.

(4) *Metering Equipment*: Company approved equipment associated with metering such as single and three phase meter troughs, manual by-pass including, as may be required, Company approved metering transformer enclosures and switches for metering transformers.

(5) *Interconnection Costs*: All costs resulting from and attributable to the Customer's decision to interconnect and parallel its self-generating facilities with the Company's electric system.

(6) *Renewable Fuel*: Wind, water, biomass or other solar resources.

(7) *Fossil Fuel*: A non-nuclear fuel other than a Renewable Fuel.

(B) Terms:

(1) *Parallel Operation*:

(a) The Customer's Self-Generating Facilities may not be operated in parallel with the Company unless:

(i) the Customer's generating facility is in compliance with the Company's specifications and operating guidelines as set forth in the "Technical Requirements for Parallel Operation of Customer Generation" (EO-3-12).

(ii) the Customer provides, at its expense, an approved generator disconnect switch or other Company approved disconnecting device, accessible to the Company and equipped for the Company's lock. Such switch or device will be locked open or closed and will be operated at the sole discretion of the Company.

(iii) the Customer allows the Company to install metering equipment whereby the Company can meter the output of the Customer's generating facilities.

(iv) the Customer provides, at its expense, Company approved capacitors or any such other approved equipment for generator excitation requirements, or with the Company's approval makes other arrangements to compensate the Company for the excitation supply.

(v) the Customer provides, at its expense, automatic protective equipment, approved by the Company, such as, but not limited to, over-current protection, over- and under-voltage protection, over- and under-frequency protection, and automatic synchronization.

(vi) the Customer submits to the Company and obtains Company approval of complete detailed drawings and one-line diagrams of the connection of the generating equipment to be interconnected in parallel with the Company's electric system.

(vii) the Company has accepted a signed service agreement from the Customer for Partial Requirements Service.

(viii) the Customer has received written authorization from the Company to operate in parallel with the Company's electric system.

(b) The Company reserves the right to suspend parallel operation if, in the Company's opinion, continued operation would:

(i) contribute to a system emergency.

(ii) endanger the safety of any Company employee, any employee of a subcontractor performing work for the Company, or any other person.

(iii) endanger the operation or physical integrity of any equipment, conductor, device, or apparatus forming a part of, or connected to, the Company's electric system.

(iv) adversely affect the reliability of service provided by the Company to any other Customer.

(c) The Company may periodically inspect and test the Customer's generating facilities to ascertain Customer's compliance with the Company's requirements for parallel operation with the Company's electric system. The Customer's failure to maintain compliance may result in immediate termination of parallel operation. If parallel operation has been terminated, resumption of parallel operation will require new written authorization from the Company.

(d) The Company shall not be liable for or with respect to any injury or damage, or interruption, discontinuance, variance or reduction of its service due to or resulting from the interconnection of the Customer's generating facilities with the Company's electric system.

(2) *Non-Firm Or Net Energy Sales to UI:* Parallel operation of a Generating Facility for the purpose of power sales to the Company or to any other lawful purchaser is conditioned upon Company acceptance of a signed Self-Generating Facility Option Agreement.

(3) *Metering:* The Company will install, own, and maintain, at the Customer's expense, the meter(s) necessary to measure the electricity purchased by the Company from the Customer's generating facilities. These costs shall include those related to the installation, maintenance and reading of meter(s) and telemetering devices, including modifications to the Customer's Metering Equipment. In certain cases, at the Company's discretion and expense, the Company may install Metering Equipment and meter(s) to meter such characteristics of the Customer's generating facilities as station service and power factor.

Meters and metering transformers required exclusively for measuring electric service supplied by the Company to the Customer will be provided at the Company's expense.

(4) *Exceptional Interconnection Costs:* When the sole purpose of a Customer's interconnection with the Company's electric system is to sell electric capacity or energy to the Company or when the Company must incur exceptional costs to interconnect a Customer, the Company will require payment of the interconnection costs including all taxes, or so much as is exceptional, subject to approval by the Department of Public Utility Control (DPUC) as may be required. If the DPUC does not disapprove of the charge within 90 days of the Customer's written application for interconnection, the interconnection shall be made upon payment by the Customer of this charge; however, should the DPUC later reduce the interconnection charge, the amount of the reduction plus interest at the current cost of the Company's long-term debt shall be refunded to the Customer.

(5) *Transfer To Full Requirements Service:* A Customer who abandons or retires its generating facility and desires to transfer to Full Requirements Service must provide the Company with written notice of such intent at least six months prior to such transfer. Customers who take partial requirements service in conjunction with Customer Distributed Generating Facility Net Energy Rider NE or have not contracted for Backup or Maintenance Service in the last twelve months are exempt from these notice provisions. During the notice period, if economic capacity becomes available, the Customer will be transferred to full requirements service.

The Customer may request the Company to purchase capacity from other sources to meet the Customer's needs. The Customer agrees to compensate the Company for all incremental system capacity costs that may be required in order for the Company to provide uninterruptible Full Requirements Service to the Customer. The Customer's obligation to provide such compensation shall begin as of the date the Company first incurs the additional costs, subject to DPUC approval as may be required.

Upon completion of the notice period and transfer to Full Requirements Service, there will be no additional Customer charges for transfer.

Effective: March 27, 2006

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Decision dated March 27, 2006
Docket No. 05-07-16

Supersedes C.P.U.C.A. No. 294
Effective October 1, 1998
Decision dated December 16, 1992
Docket No. 92-06-05