

THE NARRAGANSETT ELECTRIC COMPANY
STATION POWER DELIVERY AND RELIABILITY SERVICE RATE (M-1)
RETAIL DELIVERY SERVICE

AVAILABILITY

This service shall be available to all Customers meeting the following criteria:

1. The Customer is a “Merchant Generator” who owns and operates a generating facility with one or more generating units with an aggregate generating capacity of 50 MW or more and where all, or virtually all, of the electricity produced by the generating facility is delivered into the transmission grid for resale (net of any self-supplied Station Power);
2. The Customer’s generating facility is interconnected directly or indirectly with high voltage facilities at 115 kV or greater where the high voltage facilities serving the customer are sized for deliveries into the transmission grid; and
3. The Customer receives deliveries of electricity from time to time directly or indirectly through the high voltage facilities to serve all or portion of the Customer’s Station Power requirements at the generating facility.

This rate shall be mandatory for any Customer meeting the above listed criteria if such Customer arranges its own transmission service for delivery of Station Power into the generating facility, as described below under “Transmission Service Arrangements”. Once a Customer takes service under this rate, the Customer may not choose to take service under a different rate without the consent of the Company.

DEFINITIONS

As used in this tariff:

“**Merchant Generator**” means a person or entity that owns and operates an electric power production facility and sells the output from such facility (net of self-supplied Station Power), either directly or through a marketer, at wholesale through the transmission grid.

“**Station Power**” means electrical energy and/or capacity used by the Customer for heating, lighting, power for station auxiliaries, office equipment, and/or other power production operating purposes.

TYPE OF SERVICE

Station Power Delivery and Reliability Service consist of delivery service through high voltage and/or other interconnected facilities to serve all or a portion of the Customer’s Station Power requirements at the generating facilities.

DELIVERY POINT CONSOLIDATION

If the Customer has more than one delivery point for station service deliveries into interrelated generating facilities, the Company may consolidate the metering and delivery points into one billing account for purposes of billing under this rate.

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MONTHLY CHARGE

Customers must select either Option A or Option B. The Monthly Charge will be the sum of the Station Power Delivery Service Charges stated on RIPUC No. 2095, Summary of Retail Delivery Rates for the applicable option. Once a Customer selects an Option, the Customer must remain on that Option for 12 consecutive months before changing Options.

BILLING DETERMINANTS FOR TRANSITION AND ENERGY EFFICIENCY CHARGES

Option A – Monthly Netting

Under Option A, for purposes of determining whether the alternative kilowatt-hour charges apply for the Non-Bypassable Transition Charge and the Energy Efficiency Program Charge, the Company will net gross generator output against remotely supplied station service deliveries each month. The charge for each month for such components shall be the higher of (i) the fixed charge or (ii) the kilowatt-hour charge multiplied by the net kilowatt-hours delivered for the month if the deliveries exceed generation output for the month.

Option B – Hourly Netting

Under Option B, for purposes of determining the kilowatt-hour charges that apply for the Non-Bypassable Transition Charge and the Energy Efficiency Program Charge, the Company will net gross generator output against remotely supplied station service deliveries each hour. The charge for each month shall be the kilowatt-hour charge multiplied by the net kilowatt-hours delivered for the hour if the deliveries exceed generation output for such hour.

RATE ADJUSTMENT CLAUSE APPLICABILITY

Option A – Monthly Netting

The charges for delivery service under Option A of this rate shall be subject to adjustment pursuant to the following provisions:

- Customer Credit Provision
- Energy Efficiency Program Provision
- LIHEAP Enhancement Plan Provision
- Transition Cost Adjustment Provision

Option B – Hourly Netting

The charges for delivery service under Option B this rate shall be subject to adjustment pursuant to the following provisions:

- Customer Credit Provision
- Energy Efficiency Program Provision
- LIHEAP Enhancement Plan Provision
- Transition Cost Adjustment Provision

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TRANSMISSION SERVICE ARRANGEMENTS

Any Customer served under this rate must make its own arrangements for transmission service to the Customer's generating facility for delivery of Station Power. Such arrangements must be made with the appropriate transmission provider(s) pursuant to a tariff or tariffs jurisdictional to the Federal Energy Regulatory Commission (FERC) in order to assure that the Company is not required to account for any load delivered into the Customer's facility for Station Power for transmission billings assessed on the Company pursuant to FERC jurisdictional transmission tariffs applicable to the Company. This transmission service is distinguishable and separate from transmission service or interconnection arrangements that permit the Customer to deliver output from the generating facility into the transmission grid.

ARRANGEMENTS FOR GENERATION SERVICE

Any Customer served under this rate must either (1) establish a settlement account with ISO-New England, Inc., for power supply and must use the settlement account to arrange for any Station Power supply that is not self-supplied at the generating facility or (2) purchase electricity directly from a nonregulated power producer. By electing service under this tariff, the Customer agrees not to take service at any time under the Company's Last Resort Service Tariff.

OTHER LOW VOLTAGE SERVICE EXCLUDED

Any Customer served under this rate who also is receiving Station Power service or other retail delivery service through a separate distribution feeder that is not associated with the facilities through which the Customer delivers generated electricity into the transmission system must take such delivery service through a separate applicable retail delivery service tariff that is separately metered and established as a separate account.

OTHER FACILITIES EXCLUDED

This rate applies only to Station Power. The Customer may not use this rate to receive or provide power to other non-generation related facilities, the use of which falls outside of the definition of "Station Power", as defined in this rate.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.