

**POWER PURCHASE**

**RATE P-2**

**AVAILABILITY**

Upon written application and execution of an electric service agreement (the "QF Power Purchase Agreement") on or after August 1, 2000, this rate is available for the purchase of electricity by the Company from a qualifying facility or on-site generating facility (the "Seller") in accordance with such applicable regulations of the Massachusetts Department of Telecommunications and Energy ("M.D.T.E.") as may be in effect from time to time. This rate is subject to the Company's Standards for Interconnection with Qualifying Facilities or On-Site Generating Facilities (the "Interconnection Standards"), the Company's Terms and Conditions - Distribution Service and the Company's printed requirements, each as may be in effect from time to time. Nothing in this rate shall be construed to affect, modify or amend terms and conditions of any existing Qualifying Facility's contract executed prior to August 1, 2000.

**CHARACTER OF SERVICE**

The Company will accept delivery of 60 hertz, alternating current power at a voltage and phase compatible with its system in the vicinity of the Seller's premises.

**CAPACITY PURCHASE RATE**

- a) A Seller who is receiving compensation for energy delivered to the Company subject to the terms and conditions of the Power Purchase Rate herein, may be eligible to receive short-run capacity payments subject to the following conditions:
- 1) A short-run standard QF Power Purchase Agreement between the Company and the Seller has been executed.
  - 2) The Seller complies with any and all applicable information requests, rules, and requirements of the New England Power Pool ("NEPOOL") and ISO New England, Inc. (the "ISO") that are necessary for the Seller's capacity output to be sold to the ISO power exchange.
  - 3) The Seller has a design capacity of 1 Megawatt ("MW") or greater when adjusted by demand losses.
  - 4) The Seller shall identify at least 5 business days prior to the beginning of a calendar month the capacity, adjusted by demand losses, (in MW, expressed to 2 decimals) to be bid into the ISO for said calendar month.

**POWER PURCHASE**

**RATE P-2**

**CAPACITY PURCHASE RATE** (continued)

- 5) The Company shall meter the output of the Seller and shall purchase a MW amount, adjusted by demand losses, equal to the lesser of (1) the minimum output in excess of the Seller's requirements for the calendar month or (2) the amount identified in 4 above for said calendar month.
- 6) The Company shall purchase the MW resulting from 5 above at rates equal to the payments received by the Company from the ISO power exchange.

**ENERGY PURCHASE RATE**

A Seller, who does not otherwise elect to enter into a separate contract with the Company, may be eligible to receive short-run energy payments subject to the following conditions:

- 1) A short-run standard QF Power Purchase Agreement between the Company and the Seller has been executed.
- 2) The Seller complies with any and all applicable information requests, rules, and requirements of NEPOOL and the ISO that are necessary for the Seller's energy output to be sold to the ISO power exchange.
- 3) The Seller chooses, to the extent applicable, one of the following options:

(option a):

A Seller with a design capacity of 1 MW or greater, shall have its output metered and purchased at rates, adjusted for losses, equal to the payments received by the Company from the ISO power exchange for such output for the hours in which the Seller generated electricity in excess of its requirements.

(option b):

A Seller with a design capacity greater than 60 kilowatts ("kW") but less than 1 MW shall have its output metered and purchased at rates equal to the arithmetic average of the Short-Run Rate as defined in 220 CMR 8.02 ("Short-Run Rate"), adjusted for losses, in the prior calendar month for the kilowatt-hours ("kwh") that the Seller generated in excess of its requirements.

**POWER PURCHASE**

**RATE P-2**

**ENERGY PURCHASE RATE** (continued)

(option c):

A Seller with a design capacity of 60 kW or less shall have its output metered and purchased at rates equal to the arithmetic average of the Short-Run Rate, adjusted for losses, in the prior calendar month for the kwh that the Seller generated in excess of its requirements.

(option d):

A Seller with a design capacity of 60 kW or less may elect to connect such equipment to the load side of the Company's meter used to measure electric energy furnished to the Seller by the Company. This arrangement will permit the Seller's generation to reduce the amount of electric energy recorded on the meter as a sale by the Company and, during times when the Seller's generation exceeds its load, to cause the meter register to run backwards. Should a Seller, in aggregate, supply more electric energy to the Company than is taken from the Company during any billing period, the Company will purchase electric energy supplied by the Seller in excess of the electric energy taken from the Company at a rate equal to the arithmetic average of the Short-Run Rate, adjusted for losses, in the prior calendar month. Further, this option (d) shall not relieve the Seller from the obligation to pay to the Company any otherwise applicable minimum charge as set forth in the Company's rate schedule applicable to electric service furnished to the Seller. Where such rate schedule does not contain a separately stated minimum charge, the minimum charge shall be deemed to be equal to the price of the first energy step of such rate schedule.

**CALCULATION OF PURCHASE RATES**

The short-run capacity rate and the energy purchase rate will be the hourly market clearing price for energy and the monthly market clearing price for capacity, as determined by the ISO or its successors.

**TERMS OF PAYMENT**

Unless the Seller elects otherwise in writing, the Company will render payment for all electricity purchased under the terms of this rate schedule by check. If the Seller so elects, the Company will credit its payment against the Seller's bill for electric service furnished by the Company. Such election may not be changed more frequently than once in any twelve-month period.

**POWER PURCHASE**

**RATE P-2**

**INTERCONNECTION and METERING REQUIREMENTS**

The Seller must meet all the requirements for interconnecting its equipment with the Company's system and all specifications regarding the installation of metering equipment in accordance with the Company's Interconnection Standards, as effect from time to time.

**SPECIAL PROVISIONS**

The Company's Interconnection Standards, as well as the Company's printed requirements, contain standards for the construction and operation of Seller's generating equipment and associated electric facilities that are designed to protect the Seller, Company personnel and the general public from undue hazards and to prevent interruption in the supply, or interference with the quality, of electric service furnished by the Company to its Customers. Accordingly, the Company reserves the right to refuse to interconnect its system with, or to disconnect its system from, any of the Seller's facilities that in the Company's opinion do not comply with such Standards. A Seller shall comply with any and all applicable information requests, rules and requirements of NEPOOL and the ISO that are necessary for the Seller's generation output to be sold to the ISO power exchange by the Company. The Seller shall provide such information to the Company in a timely manner. In the event that a fine, penalty, or a sanction is levied on the Company by NEPOOL or the ISO as a result of the Seller's failure to comply with a NEPOOL or ISO information request, rule, or requirement, then the Seller shall be responsible for the costs of such fines, penalties, or sanctions imposed by NEPOOL or the ISO on the Company.

**TERM**

The term shall be as specified in the QF Power Purchase Agreement executed hereunder.

*Filed pursuant to order of the M.D.T.E. in Qualified Facilities Rulemaking, D.T.E. 99-38 (1999).*