NSTAR SERVICES CO.

BOSTON EDISON COMPANY
CAMBRIDGE ELECTRIC LIGHT COMPANY
COMMONWEALTH ELECTRIC COMPANY

Procedures for Interconnection, Metering and Payment with Qualifying Facilities or On-Site Generating Facilities

Issued May 12, 2000

Procedures for
Interconnection, Metering and Payment with
Qualifying Facilities or On-Site Generating Facilities

Introduction

These procedures address the requirements of 220 CMR 8.04 (2) – (9) as related to the interconnection, metering and payment requirements associated with sales of electricity by Qualifying Facilities and On-Site Generating Facilities to distribution companies and sales of electricity by distribution companies to Qualifying Facilities and On-Site Generating Facilities.

These procedures are issued by NSTAR Services Company on behalf of its three affiliated distribution companies, Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company. As used in these procedures, the term "Company" shall refer to the particular distribution company with which interconnection is requested. As used in these procedures, the term "Facility" shall refer to the particular Qualifying Facility or On-Site Generating Facility which seeks to interconnect.

Contents

Section 8.04 (2)	Inspection
Section 8.04 (3)	Interconnection Cost Estimate
Section 8.04 (4)	Standards for Interconnection
Section 8.04 (5)	Distribution Company Right to Inspect.
Section 8.04 (6)	Conditions for Interconnection
Section 8.04 (7)	Interconnection Costs
Section 8.04 (8)	Metering
Section 8.04 (9)	Payment

Appendix A	Standards for Interconnection with Qualifying Facilities or On-Site Generating Facilities
Appendix B-1	Boston Edison Company, QF Power Purchase Agreement
Appendix B-2	Cambridge Electric Light Company, QF Power Purchase Agreement
Appendix B-3	Commonwealth Electric Company, QF Power Purchase Agreement

8.04(2) INSPECTION

At the written request of a Facility, the Company shall conduct an initial site inspection of the proposed Facility.

This purpose of this inspection will be; to determine existing conditions; to review the nature of the proposed interconnect; to begin preliminary discussion on equipment necessary for protecting the Company's system; to determine the need for additional engineering studies, including but not limited to system studies and metering, to determine the impact on the Company's system; and gather data needed to provide an assessment of interconnection costs including metering equipment.

The written request for the initial inspection shall be made through the Customer Care Organization who shall forward it to the Director of Distribution Asset Strategy or his designate and the Director of Meter Technical or his designate. The request shall be forwarded within 5 business days of receipt.

This initial inspection shall be made within 45 days of the written request by the Facility and shall be made at the Company's expense.'

8.04(3) INTERCONNECTION COST ESTIMATE

The Company, upon written request by the Facility, shall provide a complete estimate of interconnection costs. The cost of providing this estimate, including necessary studies, to determine the impact on the Company's system and equipment, shall be paid by the Facility to the Company.

Interconnection costs shall include without limitation all study, engineering, technical and support costs needed to determine the costs of improvement, modifications, reinforcements, and additions to the Company's Transmission, Distribution or Metering Systems as well as the cost of the improvement, modifications, reinforcements, and additions to the Company's Transmission, Distribution or Metering Systems.

If the parties cannot reach an agreement on interconnection costs within 90 days of the Facility's request for an estimate, the parties may petition the DTE to review the reasonableness of the Company's interconnection cost estimate.

8.04(4) Standards for Interconnection

See Appendix A.

8.04(5) COMPANY'S RIGHT TO INSPECT

The Company has the right to periodically inspect, test, and certify in writing the accuracy of any metering equipment owned by the Facility. The Company has the right to periodically inspect, test, and certify in writing the Facility's compliance with the protection and interconnection standards prescribed by the Company. The Company has the right to inspect and test the electrical interface at any time to certify its proper operation. There will be no charge to the Facility for such inspections, tests, or certifications by the Company. Insofar as practical, the tests and inspections will be made during normal business hours at a time mutually agreeable to both parties. An emergency test or inspection may be made at any time without notice in the event of a fatality, personal injury, property damage or unusual voltages on the Company's system. The need for any inspections shall be at the sole discretion of the Company.

8.04(6) CONDITION S FOR INTERCONNECTION

The Company is not required to interconnect with a Facility until 90 days after the Facility has notified the Company in writing that it intends to interconnect with the Company's system.

When modifications or additions to the Company's Transmission or Distribution system are required to accommodate an interconnection the Company may, upon notice to the Facility and the Department, petition the Department for additional time.

The Company's Standard QF Power Purchase Agreements includes Exhibit "A" which details the Notice of Intent to Interconnect a Facility to the Company's Distribution system. Appendix B-1, B-2 and B-3 contain each Company 's standard agreement.

8.04(7) INTERCONNECTION COSTS

Following the initial site inspection, the Company shall make a cost estimate of the interconnection. Coordination of the cost estimate shall be the responsibility of the Customer Care Organization. These costs shall be reimbursable by the Facility and shall include the incremental costs resulting from interconnecting the power production equipment with the Company's system, including meter installation where applicable. Such costs are to be calculated as follows:

(a) The incremental cost of interconnection shall be the sum of all costs incurred by the Company that are a direct result of connecting the Facility power production equipment to the Company's system. This sum includes the costs of installation, any required engineering studies, metering equipment, operations and maintenance expense, property taxes, and all incremental modifications to the distribution and transmission system to the extent that such incremental modifications are for the sole benefit of the Facility and are

necessary to incorporate its generation into the Company's system. Costs of system improvements and equipment installed to provide retail service to the Facility consistent with the Company's Terms and Conditions for Distribution Service shall be excluded from the incremental cost of interconnection.

(b) In the case where, during the term of a contract, a Facility will purchase electricity from the Company under a standard rate tariff or special contract that includes interconnection costs, the incremental costs of interconnection shall be the difference between the interconnection cost of the Facility and the customer interconnection costs recovered through the tariff or special contract.

(c) For Qualifying Facilities selling electricity to the Company under Short-Run Rates pursuant to 220 CMR 8.05, interconnection costs may be amortized over a period of up to three years, with the period of amortization chosen by the Qualifying Facility. If the charges are amortized, the Qualifying Facility will pay a monthly charge designed to recover the interconnection costs plus interest computed at the Company's average weighted cost of capital. The Qualifying Facility may instead elect to pay all interconnection costs at the time of interconnection.

8.04(8) Metering

In accordance with the provisions of 220 CMR 8.04, articles (2), and (3), upon written Notice of Intent to Interconnect by a Facility, the Company will provide an inspection and where applicable an interconnection cost estimate that will include estimates for metering.

In addition the following shall apply:

a. Where not otherwise provided by the Company, the Facility shall furnish and install the necessary meter sockets and wiring in accordance with accepted electrical standards. The Company shall furnish, read and maintain the metering equipment.

b. For Qualifying Facilities with a design capacity of one MW or greater, the Company will specify and use a bi-directional metering system capable of interval recording and remote access. Such remote access shall be specified by the Company and shall meet NEPOOL, (ISO New England) standards and requirements for meters on generation resources. The interval recording meter will be controlled, tested, maintained, and read by the Company.

c. For Qualifying Facilities with a design capacity greater than 60 KW but less than one MW, the Company will specify and use a metering system that can record sales to the Company.

d. For Qualifying Facilities with a design capacity of 60 KW or less that do not elect to net meter, the Company will specify and use a metering system that can record sales to the Company.

e. For Qualifying Facilities with a design capacity of 60 KW or less that elect to net meter, the Company will specify and use a meter capable of providing a net import/export reading ("running backwards").

f. Where not otherwise covered in charges for Distribution service, back up fees, or a special contract, and where appropriate, the Facility shall pay to the Company a monthly charge which covers taxes, meter maintenance, incremental reading and billing costs, the allowable return on the invoice cost of the meter, and the depreciation of the meter.

g. The Company reserves the right to require additional metering facilities, when those additional metering facilities are required to accurately meter the installation, or where required to provide billing determinants for a special type of service, contract rate or tariff.

h. Upon request, the Company will provide a list of approved meters used by NSTAR and standard pricing to upgrade from a standard metering package to a metering package with enhanced features.

8.04(9) PAYMENT OPTIONS

In accordance with the provisions of the Company's Power Purchase Rate P-1, the Facility will receive a payment (by check) for electricity purchased by the Company. Also, the Facility may elect to have the Company credit its payment against the Facility's bill for power furnished by the Company.

Any costs charged to the Facility for interconnection equipment, meters and meter reading shall be the standard charges filed by the Company and approved by the DTE. Interconnection costs which are not standardized or invoiced shall be estimated on a case-by-case basis as detailed in the Company's Standards for Interconnection.

APPENDIX A

NSTAR SERVICES CO.

BOSTON EDISON COMPANY
CAMBRIDGE ELECTRIC LIGHT COMPANY
COMMONWEALTH ELECTRIC COMPANY

STANDARDS FOR INTERCONNECTION WITH QUALIFYING FACILITIES OR ON-SITE GENERATING FACILITIES

Issued May 12, 2000

STANDARDS FOR INTERCONNECTION WITH

QUALIFYING FACILITIES OR ON-SITE GENERATING FACILITIES

1. General Overview

a) The following Standards for Interconnection (the "Standards") apply to any person, partnership, corporation, or other party who installs a Qualifying Facility or On-Site Generating Facility ("Facility"), desires an electrical interconnection with the Boston Edison Company, Commonwealth Electric Company, or Cambridge Electric Company (the "Company") system and satisfies the definition of a "Qualifying Facility" (as defined by 18 CFR Section 292.203 as in effect from time to time), or "On-Site Generator" (as defined in 220 CMR 8.0). Such party will be hereinafter referred to as the "Customer".

b) An agreement in one of the forms prescribed in the regulations issued by the Massachusetts Department of Telecommunications and Energy ("MDTE") and currently codified at 220 CMR 8.01(2)(b) or other agreement satisfactory in form and substance to the Company (" Agreement") must be fully executed between the Company and the Customer as a precondition to the interconnection of the Facility with the Company's system.

c) These Standards are subject to change by the Company in whole or in part at any time from time to time. Any such change shall become effective and binding upon the giving of notice thereof by the Company to the Customer in accordance with the provisions of the Agreement.

d) These Standards are subject to the Company's Terms and Conditions as filed with the MDTE and as in effect from time to time to the extent not inconsistent with the specific provisions of these Standards.

2. Summary of the Approval Process for Proposed Facilities

a) Detailed engineering drawings of the Facility shall be submitted to the Company for its approval. The Company will review the drawings of the proposed Facility as submitted to it by the Customer to insure compliance with its requirements. No Facility shall be connected to the Company's system without its approval. Generator protection apparatus and the design thereof shall meet the minimum requirements described herein, or within the Company's Technical Standards

Guide for Interconnection with Qualifying Facilities or On-Site Generating Facilities (the "Guide").

b) The Company may, from time to time, require the Customer to install, own and maintain protective devices, capacitors, or any other equipment in addition to these minimum described as follows and in the Guide, which equipment is, in the sole opinion of the Company, necessary to the safe and economical interconnection of the Facility with the Company's system and/or the operation of the operation of the Facility in parallel with the Company's system.

c) The Company reserves the right to refuse to interconnect its system to, or to disconnect its system from, any Facility which does not comply with its requirements or which may, in the Company's judgment, adversely affect the service rendered by the Company to its other customers.

d) Upon completion of the Facility, and before any operation thereof, the Customer shall notify the Company and the Company shall inspect the Facility and shall perform such tests (if any) of the Facility as it may deem necessary to determine the operating characteristics and compatibility thereof with its system, to assure the safety of its employees and to maintain the accuracy of its meters. Neither by its inspection nor non-rejection of the Facility shall the Company be construed as warranting or accepting any responsibility for the design adequacy, safety, suitability or reliability of the Facility.

e) The Customer shall not modify the Facility without obtaining the prior written consent of the Company in each case considered .

3. Incremental Costs of Interconnection

a) All incremental costs for charges or additions to the Company's transmission or distribution facilities or for any protective, metering or other equipment necessary to interconnect the Facility with the Company's system shall be borne by the Customer. Such charges shall be computed and paid in accordance with the applicable provisions of the regulations issued by the MDTE at 220 CMR 8.00 et.seq and as stipulated in the Agreement between the Customer and the Company.

b) No charge to the Customer for equipment provided by the Company or for work performed by the Company shall convey title in any such equipment to the Customer unless specifically so stated in an agreement between the Company and the Customer. Absent such an agreement, all equipment shall be and remain the sole property of the Company.

4. Summary of Rules and Requirements

a) The Facility shall generate sixty (60) Hertz alternating current, free of harmonic components or fluctuations that may interfere with the quality of electric service to the other customers of the Company. Determination that unacceptable interference levels exist shall be in the sole judgment of the Company. See Guide for details.

b) The Customer will be solely responsible for properly synchronizing the Facility with the Company's system in those cases where the Company has agreed to allow the Facility to operate in parallel with the Company's System. All costs associated with repair or replacement following a synchronizing accident will be the responsibility of the Customer the extent and nature of the repairs or replacement shall be the sole discretion of the Company. See Guide for details.

c) The Customer shall be responsible for the protection of the Facility from hazards resulting from parallel operation. The Company shall not be liable for death or injury to persons or damage to the Facility caused by the Customer's failure to provide such reasonable protection.

d) The Customer shall provide any and all protective equipment necessary to disconnect the Facility from the Company's system in the event of any outage or fault on the Company's system or in the event of any fault or adverse condition at the Facility. All equipment necessary for the protection of the Company's system shall be satisfactory to the Company prior to the operation at the Facility in parallel with the Company's system.

e) The Customer shall provide, at their expense, a lockable disconnect switch electrically located between the Facility and the Company's system. Such disconnect switch shall be readily accessible to the Company's personnel, shall be acceptable to all code authorities having jurisdiction, shall be properly rated, and shall be capable of completely electrically isolating the Facility from the Company's system. See Guide for more specific information.

f) The Customer shall not interconnect a Facility with the Company's system unless specifically authorized to do so in writing by the Company. In no event shall the Customer energize Company-owned facilities which are de-energized.

The Customer shall permit the Company's employees to enter upon his property at any reasonable time for the purpose of inspecting and/or testing the Customer's

equipment, facilities, or apparatus to insure the safe operation thereof or the accuracy of the Company's metering equipment. Such inspections shall not relieve the Customer from his obligation to maintain his equipment in safe and satisfactory operating condition. Insofar as practical, the tests and inspections will be made Monday through Friday 0800-1600 hrs regular holidays excluded at a time mutually agreeable to both parties. An emergency test or inspection may be made at any time without notice in the event of a fatality, personal injury, property damage or unusual voltages on the Company's system. The need for any inspections shall be at the sole discretion of the Company.'

g) The Customer shall comply with all existing or future regulations rules orders, or decisions of all governmental authorities with jurisdiction over the Facility and the operation thereof.

h) Where and as determined at the sole discretion of the Company, the Facility shall be isolated from the Company's system by a separate power transformer having a winding configuration acceptable to the Company.

i) The Company reserves the right to disconnect the Facility from its system if the Customer fails to comply with the provisions of these Standards, of the Agreement, of any supplementary or special agreement entered into with the Company, of Company's Terms and Conditions or other printed requirements of the Company to the extent not inconsistent with the specific provisions of the above-referenced Agreement.

j) In the event that the Facility is disconnected from the Company's system, the customer shall not reconnect the Facility to the Company's system unless specifically authorized to do so in writing by the Company.

5. Liability

a) The Customer agrees that the Company shall not be liable for any damage suffered to the Customer's equipment or to persons killed or injured or property damaged by or as a result of the operation or presence of such equipment on the Customer's premises. The Customer further agrees to accept liability for and to indemnify and hold the Company harmless from and against any claims, demands, actions, liabilities, damages, awards or costs (including attorney fees and legal costs) of whatever description, arising out of the presence on the Customer's premises or the operation of the Facility.

b) These Standards, as well as the Guide, contain minimum requirements for construction and operation of electrical equipment, which are designed to provide for safe operation of the Facility and for the protection of the Customer, Company personnel, and the general public. They are not intended to be a substitute for

specific engineering advice nor are they intended to be a design manual or guide. The Company may make such additional requirements from time to time as may be necessary as appropriate. The provisions of these Standards, as in effect from time to time, are and shall remain binding upon the Company and the Customer.

c) The Company shall not be held responsible or accountable for the loss of generation of electricity which may, under any circumstances, result from disturbances on the Company's system, the system of any other company or customer or interruption of electric service to the Facility regardless of cause or fault.

Boston Edison
AN NSTAR COMPANY

QF POWER PURCHASE AGREEMENT

Agreement entered into this day of , by and between Boston Edison Company, a Massachusetts corporation with offices located at 800 Boylston Street, Boston, Massachusetts 02199 (the Company) and _____ (the Customer) at _____, Massachusetts (Account Number:_____). The Customer hereby notifies the Company of the intention to install facilities on his property for the purposes of generating electric energy. Such facilities are described on the attached Exhibit "A", which meet the qualifying facilities standards promulgated by the Federal Energy Regulatory Commission in 18 C.F.R. 292.203 (a) and (b), or meet the definition of an On-Site Generating Facility as in 220 CMR 8.0. The Customer further desires to sell electric energy generated by such facilities to the Company.

THEREFORE, the parties hereto, each in consideration of the agreements of the other, agree as follows:

1. The Company will purchase power from, and furnish electric service to, the Customer, subject to the provisions of this Agreement. This Agreement is made pursuant to, and shall be subject to, the provisions of the Company's Power Purchase Rate P-2 and the Company's printed requirements, Terms and Conditions – Distribution Service and Standards for Interconnection with Qualifying Facility and On-Site Generating Facility (the "Standards"), each as may be in effect from time to time and not inconsistent with the specific provisions of this Agreement.

2. The Company agrees to permit the Customer to operate the above-referenced facilities in parallel with the Company's electric system at the above location.

3. The Customer agrees to purchase such electric service as may be furnished by the Company at this location and to receive and pay for such service in accordance with the Company's Rate____, or such substitute therefore as may hereafter be filed with the Massachusetts Department of Telecommunications and Energy and in effect from time to time.

4. The Customer will complete and submit to the Company three signed copies of this Agreement, together with the information specified in the Company's above-referenced Standards, which together shall constitute the application. The Company will review such application and may accept, modify, or reject the application. Parallel operation will not be permitted until written consent therefore is given by the Company, as indicated by the signing and returning of one copy of this Agreement to the Customer.

5. The Customer may receive compensation for capacity made available to the Company under the terms of the Company's Power Purchase Rate P-2. Payment for such power shall be in accordance with option _____ as selected by the Customer under the Capacity Purchase Price Clause of said Company's Power Purchase Rate P-2.

6. The Customer may receive compensation for energy made available to the Company under the terms of the Company's Power Purchase Rate P-2. Payment for such power shall be in

accordance with option _____ as selected by the Customer under the Energy Purchase Price Clause of said Company's Power Purchase Rate P-2.

7. The payments for energy and capacity in accordance with Articles 5 and 6 above will be combined and any such combined payment greater than ten dollars ($10.00) per month shall be made to the Customer monthly. Any such combined payment equal to or less than ten dollars ($10.00) per month will be accumulated by the Company for the account of the Customer and shall be payable the earlier of: 1) when the cumulative amount payable to the Customer exceeds ten dollars ($10.00) or 2) December 31st of the calendar year.

8. The Customer agrees to pay interconnection costs of $ _____ in _____ monthly payments of $ _____ plus metering costs incurred by the Company for the purpose of allowing parallel operation of the Customer's generation facilities and purchasing energy from the Customer, all in accordance with the Company's Power Purchase Rate P-2. The Customer agrees to pay any balance of such costs that may be due to the Company upon termination of this Agreement.

9. The Customer shall comply with any and all applicable New England Power Pool (NEPOOL) and ISO New England, Inc. (ISO) information requests, rules, and requirements that are necessary for a Customer's generation output to be sold to the ISO power exchange by the Company. The Customer 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 ISO as a result of the Customer's failure to comply with a NEPOOL or ISO information request, rule, or requirement, then the Customer shall be responsible for the costs of such fines, penalties, or sanctions imposed by NEPOOL or the ISO on the Company.

10. This Agreement expresses the entire Agreement of the parties, shall be governed by the laws of the Commonwealth of Massachusetts, and shall be binding upon and shall inure to the benefit of the parties hereto and theirs heirs, executors, successors and assigns.

11. This Agreement shall have a term of one month from the date first written above and shall continue thereafter until terminated on thirty (30) days notice by the Company or the Customer.

12. Any notice required or allowed to be given by this Agreement or the above-referenced documents pursuant to which this Agreement is made shall be deemed to have been properly given if in writing, signed by the party giving such notice and mailed, first-class postage prepaid, or delivered in hand to the other at the address set forth above.

IN WITNESS WHEREOF, the Company and the Customer have caused this Agreement to be executed as of date first above-written.

CUSTOMER	BOSTON EDISON COMPANY
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit A

NOTICE OF INTENT TO INTERCONNECT A QUALIFYING FACILITY OR ON-SITE GENERATING FACILITY TO BOSTON EDISON COMPANY'S DISTRIBUTION SYSTEM

1. Date of Application _____

2. Name of Applicant _____

3. Account Number _____

4. Address _____

5. Phone / Fax _____

6. Location of Facility _____

7. Service Entrance Size _____ Voltage _____ Phase _____

   Wire _____(number & size)

8. Point of Delivery _____
   (if other than normal service entrance equipment)

9. Brief Description of Facility (including voltage level of delivery) _____

   _____

   _____

10. Check One _____ Qualified Facility
    _____ On-Site Generation Facility
    _____

11. Primary Fuel Source _____

12. Maximum Net Energy per hour _____

13. Owners _____

14. % Ownership by Electric Utility / Public Utility Holding Company _____

15. Start Date of Construction _____

16. Anticipated On-Line Date _____

17. Description of power conditioning equipment located between Facility and the Utility's System _____

_____

18. Description of Type of Generation (Synchronous, Induction, Photovoltaic, etc)

_____

_____

19. Will back-up power be required? Yes _____ No _____

If yes, indicate demand (kW) level desired _____

20. Contract Type _____ Surplus Energy Sale
_____ Net Energy Sale
_____ No Energy Sale

DESCRIPTION OF FACILITY

21. Type of Equipment _____

_____

_____

_____

22. Number of Generator(s) _____

23. Generator Size(s) _____

24. Generator Voltage _____

25. Generator Manufacturer _____

26. Prime Mover Manufacturer _____

27. Description of Operation of Generator (Cycle – including on/off method) _____

_____

_____

_____

28. Power supplied in 1 Hour with Auxiliary Loads Deducted _____

29. Estimated Annual kWh Generator Output _____

30. Estimated Annual Thermal Displaced _____

31. Thermal Displaced (use & amount) _____