#### FOR ENTIRE SERVICE AREA

PSC KY NO. 10 Original Sheet No. 67

Nolin RECC 411 Ring Road Elizabethtown, KY 42701-6767

CANCELING PSC KY NO.

#### CLASSIFICATION OF SERVICE

# Customer Net Energy Service Agreement Attachment to the Net Metering Tariff for Net Metering Service

### 1. Scope of Agreement

This Agreement states the conditions for net metering for customer-generators who own, operate, and maintain electrical generating facilities using solar energy designed to operate in parallel with the existing Cooperative's electrical distribution system and be primarily intended to offset part or all of the customer-generator's own electrical requirements.

#### 2. Definitions

"Cooperative" shall mean Nolin Rural Electric Cooperative Corporation, the retail electricity supplier serving the customer-generator.

"Customer-generator" means a customer who owns and operates an electric generating facility that is located on the customer's premises, for the primary purpose of supplying all or part of the customer's own electricity requirements.

"Electric generating facility" or "facility" means an electric generating facility that is connected in parallel with the electric distribution system; generates electricity using solar energy; and has a rated capacity of not greater than fifteen (15) kilowatts.

"Point of common coupling" means the point where a generating facility is connected to the Cooperative's distribution system.

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# 3. Establishment of Point of Common Coupling

The Cooperative and the customer-generator agree to interconnect the Facility at the Point of Common Coupling in accordance with the Cooperative's rules, regulations, by-laws, rates, and tariffs (the "Rules") all of which are incorporated herein by reference.

4. Interconnection  The customer-generator shall provide all equipment and perinterconnections on its side of the point of common coupli such modifications to the Cooperative's distribution system.	ng. The Cooper <u>ance Cynthenake</u> as are reasonably, a source to
DATE OF ISSUE February 25, 2005 DATE EFFE	
ISSUED BY Michael L. Mille President & CEO NAME TITLE	411 Ring Road D1-6767
	Executive Director

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accommodate the customer-generator's facility. The customer-generator shall be responsible for the costs of any such modifications and payment shall be due thirty (30) days in advance of construction. The customer-generator shall meet all requirements of the Interconnection Agreement for Net Metering Service and shall ensure, at its own expense, that the Facility includes all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by Cooperative policies, the National Electric Code, National Electric Safety Code, the Institute of Electrical and Electronic Engineers, the Kentucky State Building Code, and Underwriters Laboratories. The customer-generator shall not commence parallel operation of the Facility until the Cooperative has inspected the Facility, including all interconnection equipment, and issued a written approval which includes a stipulated start date following which operations in parallel are permitted. The Cooperative maintains the right to verify proper installation and inspect the customer-generator's Facility to ensure continued safe operation of the electrical generating equipment and interconnection system at any time with reasonable advance notice to the customer-generator.

# 5. Installation, Operation and Maintenance of Facilities

The customer-generator shall furnish, install, operate and maintain in good order and repair, without cost to the Cooperative, all generating and interconnecting equipment required for the safe operation of the Facility in parallel with Cooperative's electrical distribution system. This includes, but is not limited to, equipment necessary to automatically disconnect the Facility from Cooperative's electrical distribution system in the event of overload or outage of Cooperative's distribution system.

Except for the bi-directional metering equipment owned by the Cooperative, all equipment on the customer-generator's side of the point of common coupling, including the required disconnect device, shall be provided and maintained in satisfactory operating condition by the customer-generator and shall remain the property and responsibility of the customer-ANCELLE generator.

The Facility must be designed to operate within allowable operating standards for Cooperative's electrical distribution system. The Facility must not adversely affect the quality or reliability of service provided to other Cooperative customers. The Cooperative shall have the right to periodically inspect the Facility.

The Cooperative will bear no responsibility for the install	tion UP Hanse Brock GOMMISSION
customer-generator's equipment or for any damage to pro	perty as a result of any failure or
customer-generator's equipment or for any damage to promalfunction thereof. The Cooperative shall not be liable,	directly or indirectly to permitting

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or continuing to allow the interconnection of the Facility or for the acts or omissions of the customer-generator or the failure or malfunction of any equipment of the customer-generator's facility that causes loss or injury, including death, to any party.

# 6. Permits and Compliance with Codes, Standards, Rules, Regulations and Laws

The customer-generator shall file in a timely manner applications for all governmental authorizations and permits that are required for the Facility prior to construction of the Facility. Prior to the initial start-up date, the customer-generator shall obtain all governmental authorizations and permits required for operation of the Facility and shall maintain all required governmental authorizations and permits required for the Facility during the term hereof. The customer-generator shall provide copies of any such authorizations, permits and licenses to the Cooperative upon request. The customer-generator agrees to cause its Facility to be constructed in accordance with the rules and specifications equal to or better than those provided by the National Electrical Safety Code and the National Electrical Code, both codes approved by the American National Standards Institute, in effect at the time of construction.

The customer-generator shall maintain the electric generating system and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations, and obtain any governmental authorizations and permits required for the construction and operation of the electric generating system and interconnection facilities. The customer-generator shall reimburse the Cooperative for any and all losses, damages, claims, penalties, or liability it incurs as a result of the customer-generator's failure to obtain or maintain any governmental authorizations and permits required for construction and operation of customer-generator's Facility.

# 7. Responsible Party

The customer-generator shall identify an individual (by name or title) who shall serve as the responsible party for operation and maintenance of the customer-generator Facility. This individual shall be familiar with this Agreement as well as the provisions of any other agreements, rules or regulations that may apply.

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			Executive Director

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### 8. Price, Payment and Credit

Net metered electricity shall be measured in accordance with standard metering practices established by the Cooperative.

#### a. Retail Sales to Member/Customer

If the net metering registration shows that deliveries of energy in kWh from the Cooperative to the customer-generator exceed the deliveries of energy in kWh from the customer-generator to the Cooperative, the customer-generator shall pay the Cooperative for the net amount of energy delivered by the Cooperative after application of any Net Metering Credit carried forward from previous months at the rate applicable to its type or class of electric service.

#### b. Energy Deliveries to Cooperative

If the net meter registration shows that the deliveries of energy in kWh from the customer-generator to the Cooperative exceed the deliveries of energy in kWh from the Cooperative to the customer-generator, the net meter registration in kWh will be carried forward to the next monthly billing period as a Net Metering Credit, expressed in kWh. If the customer-generator has carried over a Net Metering Credit from one or more prior months, the net meter registration from the current month shall be added to the Net Metering Credit that exists from prior months.

At no time shall the Cooperative be required to convert the Net Billing Credit to cash. If a customer-generator closes his account, no cash refund for residual Net Metering Credits shall be paid. Net Metering Credits are not transferable between customers or locations.

# 9. Impact Studies and System Modifications

As part of the process of accommodating the interconnection of the customer-generator's Facility to the Cooperative distribution system, the Cooperative shall conduct an initial review that includes a meeting/discussion with the customer-generator to review the application and scope of the project. The Cooperative may conduct internal studies if deemed necessary and at no additional cost to the customer-generator, such as but not limited to the review of capacity issues, system protection, aggregate harmonics analysis, aggregate power factor, and voltage regulation. The initial review will determine if a detailed system impact study for the proposed project is required.

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		Executive Director

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If a system impact study is required, the customer-generator will be advised of the estimated cost of the study and shall reimburse the Cooperative for these costs once the study is completed. Only after the customer-generator has signed the Impact Study Agreement, will the study be conducted. The impact study shall evaluate, in detail, the impact of the proposed interconnection on the safety and reliability of the Cooperative's distribution system, and assesses whether any system modifications are required for interconnection. When construction, modifications, or upgrades to the distribution system are required to interconnect the customer-generator's electric generating facility, the customer-generator shall reimburse the Cooperative for all costs incurred. Once the customer-generator has reimbursed the Cooperative for any costs of system modifications (if required), the interconnection process will proceed.

### 10. Interruption or Reduction of Deliveries

The Cooperative may require the customer-generator to interrupt or reduce deliveries as follows: a) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of the Cooperative's equipment or system; or, b) if the Cooperative determines in its sole discretion that curtailment, interruption, or reduction is necessary because of emergencies, abnormal system operation, faulted conditions, or compliance with prudent electrical practices. Whenever possible, the Cooperative shall give the customer-generator reasonable notice of the possibility that interruption or reduction of deliveries may be required.

Notwithstanding any other provision of this Agreement, if at any time the Cooperative NCELLED determines that either:

- the generating facility may endanger Cooperative personnel, or,
- the continued operation of customer-generator's generating facility may endanger the integrity of Cooperative's electric system,

The Cooperative shall have the right to disconnect the customer-generator's Facility from the Cooperative's distribution system. The customer-generator's Facility shall remain disconnected until such time as the Cooperative is satisfied that the above-referenced condition(s) have been corrected.

PUBLIC SERVICE COMMISSION hold harmless and FACTIVE gents and each of the 1/1/2005 the foregoing (collective) with a 1/1/2005
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"Indemnitees") from and against any and all losses, claims, damages, costs, demands, fines, judgments, penalties, obligations, payments, and liabilities, together with any costs and expenses (including without limitation attorneys' fees and out-of-pocket expenses and investigation expenses) incurred in connection with any of the foregoing, resulting from, relating to, or arising out of, or in connection with: a) any failure or abnormality in the operation of the customer's generating Facility or any related equipment; b) any failure of the customer-generator to comply with the standards, specifications, or requirements referenced in this Agreement which results in abnormal voltages or voltage fluctuations, abnormal changes in the harmonic content of the generating facility output, single phasing, or any other abnormality related to the quantity or quality of the power produced by the generating facility; c) any failure of the customer-generator duly to perform or observe any term, provision, covenant, agreement, or condition hereunder to be performed or by or on behalf of the customer or d) any negligence or intentional misconduct of customer related to the operation of the generating system or any associated equipment or wiring.

The customer-generator shall, upon the Cooperative's request, defend any suit asserting a claim covered by this indemnity. The customer-generator shall pay all costs (including reasonable attorneys' fees and costs) that may be incurred by the Cooperative in enforcing this indemnity.

# 12. Liability Insurance

The customer-generator shall maintain general liability insurance coverage (through a homeowner's, commercial, or other policy) against a loss arising from the use or operation of the customer-generator Facility with minimum limits of \$300,000 per occurrence/\$300,000 aggregate combined single limit for personal injury, bodily injury, including death and property damage. Prior to interconnection, the customer-generator shall submit evidence of such insurance to the Cooperative with the Application for Net Metered Electrical Generation

Service. The Cooperative's receipt of evidence of liability insurance does not imply an ANCEL endorsement by the Cooperative of the terms and conditions of the coverage.

# 13. Equipment Certification

All inverters and associated interconnection equipment shall have been tested by a Nationally Recognized Testing Laboratory as having met the testing requirements of IEEE Standard 1547. Inverters and associated interconnection equipment listed for generating facility application (up to the size range covered by this Agreement and the Net Energy Metering application (up to the following websites are hereby approved for application and installation under the terms of this Agreement and the terms of the Net Energy Metering Earlier

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ISSUED BY Michael L. Wille	President & CEO	411 Ring Road 101-6767
NAME	TITLE	By
		Executive Director

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#### **CLASSIFICATION OF SERVICE**

#### List of Approved Equipment

http://www.dps.state.ny.us/SIRDevices.PDF http://www.fsec.ucf.edu/pvt/buyinstallpv/pvapprovals/approvals1.htm http://www.consumerenergycenter.org/cgi-bin/eligible\_inverters.cgi http://www.consumerenergycenter.org/cgi-bin/eligible\_pvmodules.cgi

# 14. Testing and Testing Records

The customer-generator shall provide to the Cooperative all records of testing. These records shall include testing at the start of commercial operation and periodic testing thereafter. Factory testing of the protective systems shall be acceptable. In the case of a factory test, the customer-generator shall provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, the settings of the equipment being installed are to be approved by the Cooperative prior to operating in parallel with the Cooperative's distribution system.

# 15. Rights of Access

The Cooperative may send an employee, agent, or contractor to the premises of the customergenerator at any time whether before, during, or after the time the Facility first produce energy to inspect the Facility and observe the Facility's installation, commissioning (including any testing), startup, operation, and maintenance. At any time the Cooperative, its employees, agents, or contractors shall have access to the customer-generator's premises for this or any other reasonable purpose in connection with the interconnection described in this Agreement, the Rules, or to provide service to its customers.

# 16. Capacity Limit

This Agreement only applies to one or more photovoltaic generation facilities owned by the customer-generator and having a total installed capacity of up to 15 kW. If at any time the total site capacity of a generating facility previously covered under the terms of this Agreement exceed this capacity limit, the customer-generator is then in default of this APR 0 8 2009 Agreement. In this case, the provisions of Article 18, Default, will apply.

# 17. Disconnection of Facilities

The Cooperative maintains the right to disconnect, without hability, the customer-generator's Facility, and suspend service, in cases where continued operations are property. If the operation of the Entitle of the Cooperative operation of the Cooperative's distribution system, or other property. If the operation of the Entitle of the Cooperative operation of the Cooperative's distribution system, the Facility may be disconnected from the Public of the Cooperative operation of the Cooperative's distribution system, the Facility may be disconnected from the

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ISSUED BY Michael Z. Mille	President & CEC	101-6767
NAME	TITLE	By
		Executive Director

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distribution system with no prior notice. In other cases, the customer-generator will be provided with an opportunity to correct the situation prior to disconnection. During an unplanned outage of the distribution system serving the customer-generator's Facility, the Cooperative shall have the right to suspend service and disconnect the Facility from the system to effect repairs on the system; in this case, the Cooperative shall use its reasonable efforts to provide the customer-generator with reasonable prior notice.

The customer-generator shall disconnect the facility from the system, or the Cooperative shall have the right to disconnect the Facility from the system, in the case of customergenerator's default under the terms of this Agreement.

#### 18. Default

Any one or more of the following acts or omissions of the customer-generator shall constitute an event of default hereunder:

- Failure to comply with the capacity limit of this Agreement;
- Failure to maintain the requisite levels of liability insurance in full force;
- Failure to install, operate and maintain the generating facility in accordance with all applicable standards, rules, regulations and laws;
- Failure to maintain any records, or submit any reports or test results required hereunder; and/or.
- Failure to perform any of the other covenants and conditions of this Agreement.

Upon the occurrence of any of these events of default, the Cooperative may take any one, or more, or all, of the following actions:

Give the customer-generator a written notice specifying the event of default and requiring it to be remedied within thirty (30) days from the date of notice;

If the event of default is no	ot timely remedied, a) terminat	te this agreement, effective two (2)
	mer-generator notice of termin	nation, and b) disconnect the Facility PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 4/1/2005 PURSUANT TO 807 KAR 5:011
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411 Ring Road

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TITLE

President & CEC

Executive Director

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#### 19. Metering

Metering equipment shall be capable of measuring and recording energy flows, on a kWh basis, from the Cooperative to the customer-generator and from the customer-generator to the Cooperative, with each directional energy flow recorded independently. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the customer-generator shall be metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day or time-of-use billing agreement currently in place. If the customer-generator's existing electrical meter is not capable of registering the flow of electricity in two directions, the customer shall be responsible for all expenses involved in purchasing and installing a meter (or meters) that is able to register electricity flow in two directions. All metering shall be capable of working with any automatic meter reading systems used by the Cooperative.

# 20. Application and Agreements

A customer-generator seeking to interconnect an eligible electric generating facility to the Cooperative's distribution system must submit to the Cooperative the following documents in addition to this Agreement:

a. Application for Net Metered Electrical Generation Service, completed and executed, including a one-line diagram showing the configuration of the customergenerator's facility;

b. Interconnection Agreement for Net Metering Service, executed prior to interconnection.

The Cooperative may reject an application for demonstrable reliability or safety issues; however, the Cooperative will work with the customer to resolve those issues to the extent practicable.

# 21. Effective Term and Termination Rights

This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. This Agreement may be terminated as follows: (a) customer-generator may terminate this Agreement at any time by giving the Cooperative at least sixty (60) days' written notice; (b) Cooperative may terminate upon failure by the customer-generator to continue ongoing operation of the generating facility; (c) either party may terminate by giving the other party at least thirty (30) days prior written notice that the other party of the Cooperative and conditions of the Agreement or the Rules of the Cooperative schedule, tariff, regulation, contract, or policy of the Cooperative, so long as the notice

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ISSUED BY Michael T. Willa	President & CEO	411 Ring Road
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		Executive Director

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specifies the basis for termination and there is opportunity to cure the default; (d) the Cooperative may terminate by giving the customer-generator at least thirty (30) days notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale electric suppliers or of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the system.

### 22. Severability

If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

#### 23. Amendment

This Agreement may be amended only upon mutual agreement of the parties, which amendment will not be effective until reduced to writing and executed by the parties.

### 24. Independent Contractors

The parties hereto are independent contractors and shall not be deemed to be partners, employees, franchisees or franchisers, servants or agents of each other for any purpose whatsoever under or in connection with this Agreement.

# 25. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Kentucky. Venue for any action arising under or in connection with this Agreement shall be in the Hardin County Circuit Court.

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ISSUED BY Michael L. Mille NAME	President & CEC	411 Ring Road  By  Executive Director
		Executive Director

#### FOR ENTIRE SERVICE AREA

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#### 26. Notices

Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to the Cooperative:	
Nolin RECC	
411 Ring Road	
Elizabethtown, KY 42701-6767	
(b) If to the customer-generator:	
·	CANCELLED
	APR 0 8 2009
	KENTUCKY PUBLIC SERVICE COMMISSION
27. Assignment This Agreement and all provisions hereof shall inure to parties hereto, their personal representatives, heirs, suc generator shall not assign this Agreement or any part h of the Cooperative, and such consent shall be within the Any unauthorized assignment may result in default united.	ccessors, and assigns. Customer- hereof without the prior written consent he sole discretion of the Cooperative.
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ISSUED BY Michael L. Nilla President & C NAME TITLE	CEO F1:-1-1-6767
NAME IIILE	Executive Director

#### FOR ENTIRE SERVICE AREA

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# 28. Signatures/Agreement Execution

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION			
BY:			
TITLE:			
DATE:			
[CUSTOMER-GENERATOR NAME]			
BY:			
TITLE:			
DATE.			



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ISSUED BY Michael T. Nulla President & CEO	Elizabethtown VV 12701 5767
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	Executive Director