

November 19, 2010

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Dear Ms. Bose:

Pursuant to Section 35.13 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations under the Federal Power Act (18 C.F.R. § 35.13), Southern California Edison Company ("SCE") tenders for filing a Small Generator Interconnection Agreement ("SGIA") and a Service Agreement for Wholesale Distribution Service ("Service Agreement") between Southern California Edison Company ("SCE") and SS San Antonio West, LLC ("SS San Antonio") under SCE's Wholesale Distribution Access Tariff ("WDAT"), FERC Electric Tariff, Second Revised Volume No. 5.

The documents submitted with this filing consist of this letter of transmittal and all attachments hereto, the SGIA, and the Service Agreement.

Background

Pursuant to SCE's WDAT, SS San Antonio submitted an application to SCE to interconnect a 1.5 MW generating facility named the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project ("Project"), to SCE's Mosquito 12kV distribution line and transmit energy to the California Independent System Operator controlled grid ("ISO Grid").

Service Agreement

The Service Agreement sets forth SCE's agreement to provide Distribution Service for 1.5 MW of power produced by the Project to the ISO Grid at the 220 kV bus of SCE's Chino Substation. The Service Agreement provides that service will commence on the later of (1) March 1, 2011, or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the Specifications For Wholesale Distribution Service attached to the Service Agreement ("Specifications") are completed and all additional requirements are met pursuant to Section 13.5 of the Tariff, or (3) such other date as it is permitted to become effective by the Commission.

Pursuant to Section 9.0 of the Specifications, a loss factor credit of 3.73 percent will be applied to the Project's generation. SCE previously supported the loss factor credit for generators interconnected at distribution voltages below 50 kV and greater than or equal to 2 kV in Docket No. ER98-2365-000, dated March 31, 1998.

SGIA

The SGIA specifies the terms and conditions pursuant to which SCE will own, operate, and maintain the Distribution Provider's Interconnection Facilities required to interconnect the Project to SCE's Distribution System and pursuant to which SS San Antonio will pay for such facilities. The Distribution Provider's Interconnection Facilities, as described in Attachment 2, Section 5(b) of the SGIA are those facilities necessary to interconnect the Project to SCE's Distribution System, and will facilitate the Distribution Service SCE will provide SS San Antonio under the Service Agreement.

Pursuant to the SGIA, SS San Antonio will be responsible for the Interconnection Facilities Payment. The Interconnection Facilities Payment compensates SCE for the capitalized costs incurred by SCE associated with the design, engineering, procurement,

construction and installation of the Distribution Provider's Interconnection Facilities, including non-capitalized costs associated with such facilities. In total, the Interconnection Facilities Payment is estimated to be \$344,000.00, as set forth in Attachment 2, Section 11 of the SGIA.

Following the completion date of the Distribution Provider's Interconnection Facilities, SS San Antonio will pay to SCE a monthly Interconnection Facilities Charge to recover the ongoing revenue requirement for the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Charge will be \$1,307.20 per month and is calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost (0.38% x \$344,000.00). The Customer-Financed Monthly Rate is 0.38%. This rate is the rate most recently adopted by the California Public Utilities Commission ("CPUC") for application to SCE's retail electric customers for customer-financed added facilities, which does not compensate SCE for replacement of added facilities. Use of the CPUC rate is consistent with the SCE rate methodology accepted for filing by the Commission in prior small generator interconnection agreement dockets. SCE provided cost justification for this rate in Docket No. ER10-1435-000.

A table showing the estimated revenues SCE will collect under the SGIA during the first 12 months is provided in Attachment A to this filing letter.

As set forth in Article 3.1, the SGIA will become effective upon execution subject to acceptance by the Commission.

#### Waiver

SCE respectively requests, pursuant to Section 35.11 (18 C.F.R. § 35.11) of the Commission's regulations, waiver of the 60-day prior notice requirements specified in Section 35.3 (18 C.F.R. § 35.3), and requests the Commission to assign an effective date of November 22, 2010, to the SGIA and Service Agreement. Such waiver would be

consistent with the Commission's policy set forth in Central Hudson Gas & Electric Corp., et al., 60 FERC ¶ 61,106 (1992), *reh'g denied*, 61 FERC ¶ 61,089 (1992), that waiver of the 60-day prior notice requirement will generally be granted where good cause is shown and the agreement is filed prior to the commencement of service. Good cause exists in that such waiver will enable SCE to commence construction and installation of the facilities necessary to interconnect the 1.5 MW generating facility to the Distribution System by SS San Antonio's requested in-service date, thus facilitating the availability of power in Southern California. The granting of this waiver will not have any impact on SCE's other rate schedules.

#### Other Filing Requirements

No expenses or costs included in the rates tendered herein have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

SCE believes that the data contained in this letter provide sufficient information upon which to accept this filing; however, to the extent necessary, SCE requests that the Commission waive its filing requirements contained in Sections 35.5 and 35.13 (18 C.F.R. § 35.5 and 35.13) of the Commission's regulations.

SCE believes this filing conforms to any rule of general applicability and to any Commission order specifically applicable to SCE, and has made copies of this letter and all enclosures available for public inspection in SCE's principal office located in Rosemead, California. SCE has mailed copies to those persons whose names appear on the mailing list enclosed.

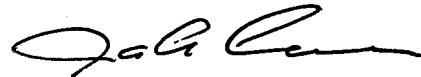
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Federal Energy Regulatory Commission  
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SCE requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Gary Chen  
Attorney  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Gary.Chen@sce.com

SCE also requests that an additional copy of any correspondence and orders be sent to the undersigned at James.Cuillier@sce.com.

Very truly yours,



JAMES A. CUILIER

Enclosures

FEDERAL ENERGY REGULATORY COMMISSION

Mailing List

NAME	ADDRESS
Public Utilities Commission State of California Legal Division <a href="mailto:frl@cpuc.ca.gov">frl@cpuc.ca.gov</a>	State Building 505 Van Ness Avenue San Francisco, California 94102
SS San Antonio West, LLC Attn: Michael Latham <a href="mailto:MWLatham123@aol.com">MWLatham123@aol.com</a>	5707 Rocking Horse Way Orange, CA 92869

**ATTACHMENT A**

**ESTIMATE OF REVENUES**

**SGIA and Service Agreement**

**15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project**

**Estimate of Revenues**

<b>Month</b>	<b>Interconnection Facilities Payment<sup>1</sup></b>	<b>Interconnection Facilities Charge</b>	<b>Total</b>
November – 2010	\$0.00	\$0.00	\$0.00
December – 2010	\$45,000.00	\$0.00	\$45,000.00
January – 2011	\$0.00	\$0.00	\$0.00
February – 2011	\$299,000.00	\$0.00	\$299,000.00
March – 2011	\$0.00	\$1,307.20	\$1,307.20
April – 2011	\$0.00	\$1,307.20	\$1,307.20
May – 2011	\$0.00	\$1,307.20	\$1,307.20
June – 2011	\$0.00	\$1,307.20	\$1,307.20
July – 2011	\$0.00	\$1,307.20	\$1,307.20
August – 2011	\$0.00	\$1,307.20	\$1,307.20
September – 2011	\$0.00	\$1,307.20	\$1,307.20
October – 2011	\$0.00	\$1,307.20	\$1,307.20
<b>Total</b>	<b>\$344,000.00</b>	<b>\$10,457.60</b>	<b>\$354,457.60</b>

<sup>1</sup> See Attachment 2, Section 12 for schedule of payment



Southern California Edison Company  
Tariff Title: Wholesale Distribution Access Tariff  
Tariff Record Title: Service Agreement No. 285

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FERC FPA Electric Tariff

**SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)**

**Between**

**SOUTHERN CALIFORNIA EDISON COMPANY**

**And**

**SS SAN ANTONIO WEST, LLC**

**(For Generating Facilities No Larger Than 20 MW)**

**(Project: 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project)**

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[Attachment 1](#) – Glossary of Terms

[Attachment 2](#) – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

[Attachment 3](#) – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

[Attachment 4](#) – Milestones

[Attachment 5](#) – Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

[Attachment 6](#) – Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement") is made and entered into this 12<sup>th</sup> day of November, 2010, by Southern California Edison Company ("Distribution Provider"), and SS San Antonio West, LLC ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

**Distribution Provider Information**

Distribution Provider: Southern California Edison Company  
Attention: Grid Contracts Administration and Billing  
Address: 2244 Walnut Grove Avenue  
City: State: Zip: Rosemead, California 91770  
Phone: (626) 302-9640  
Fax: (626) 302-1152

**Interconnection Customer Information**

Interconnection Customer: SS San Antonio West, LLC  
Attention: Michael Latham  
Address: 5707 Rocking Horse Way  
City: State: Zip: Orange, CA 92869  
Phone: 714-288-9717  
Fax: NA

Interconnection Customer Application No: WDT426

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**Article 1. Scope and Limitations of Agreement**

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Distribution Provider's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.

- 1.4 Nothing in this Agreement is intended to affect any other agreement between the Distribution Provider and the Interconnection Customer.
- 1.5 Responsibilities of the Parties
- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Distribution Provider shall construct, operate, and maintain its Distribution System, Transmission System, Interconnection Facilities, Distribution Upgrades and Network Upgrades in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Distribution Provider and any Affected Systems. The Interconnection Customer shall comply with the Distribution Provider's Interconnection Handbook. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Distribution Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Distribution Provider's Transmission System, Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Distribution Provider shall coordinate with Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Distribution Provider's Distribution System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for the Distribution Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Distribution Provider has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the ISO or, at the direction of the ISO, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 will be made by the ISO in accordance with the applicable provisions of the ISO Tariff.

1.8.3 Payment to the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when, in response to a emergency on the Distribution System, the Distribution Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1 shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved

rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced. In addition, if the Distribution Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.

- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

## **Article 2. Inspection, Testing, Authorization, and Right of Access**

### **2.1 Equipment Testing and Inspection**

- 2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Distribution Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Distribution Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Distribution Provider a written test report when such testing and inspection is completed.
- 2.1.2 The Distribution Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Distribution Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

### **2.2 Authorization Required Prior to Parallel Operation**

- 2.2.1 The Distribution Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Distribution Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Distribution Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service



date.

- 2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Distribution Provider's Distribution System without prior written authorization of the Distribution Provider. The Distribution Provider will provide such authorization once the Distribution Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.
- 2.3 Right of Access
- 2.3.1 Upon reasonable notice, the Distribution Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Distribution Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Distribution Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3 Each Party shall be responsible for its own costs associated with following this article.

### **Article 3. Effective Date, Term, Termination, and Disconnection**

- 3.1 Effective Date  
This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Distribution Provider shall promptly file this Agreement with the FERC upon execution, if required.
- 3.2 Term of Agreement  
This Agreement shall become effective on the Effective Date and shall remain in effect for a period of twenty (20) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless

terminated earlier in accordance with article 3.3 of this Agreement.

### 3.3 Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Distribution Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Distribution Provider's Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 This provisions of this article shall survive termination or expiration of this Agreement.

### 3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Distribution Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, the Distribution Provider's Interconnection Facilities or any Affected Systems(s); or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Distribution Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Distribution Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the

Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Distribution Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Distribution Provider's Distribution System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair

The Distribution Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Distribution Provider's Distribution System when necessary for routine maintenance, construction, and repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Distribution Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages

During any forced outage, the Distribution Provider may suspend interconnection service to effect immediate repairs on the Distribution Provider's Distribution System and/or Transmission System. The Distribution Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Distribution Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Distribution Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Distribution Provider's Distribution System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Distribution Provider may disconnect the Small Generating Facility. The Distribution Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the

Distribution Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Distribution System and/or the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Distribution Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

#### 3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Distribution Provider's Distribution System and/or Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

### **Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

#### 4.1 Interconnection Facilities

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Distribution Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Distribution Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Distribution Provider's Interconnection Facilities.

#### 4.2 Distribution Upgrades

The Distribution Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

### **Article 5. Cost Responsibility for Network Upgrades**

#### 5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small

Generating Facility requires Network Upgrades.

## 5.2 Network Upgrades

The Distribution Provider or the Distribution Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Distribution Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Distribution Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

### 5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Distribution Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Distribution Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Distribution Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Distribution Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Distribution Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Distribution Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

5.3 Special Provisions for Affected Systems

Unless the Distribution Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

**Article 6. Billing, Payment, Milestones, and Financial Security**

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Distribution Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Distribution Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Distribution Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual

cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Distribution Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Distribution Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Distribution Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Distribution Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

## 6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Uncontrollable Force Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

## 6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Distribution Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Distribution Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Distribution Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Distribution Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Distribution Provider under this Agreement during its term. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Distribution Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Distribution Provider and must specify a reasonable expiration date.

**Article 7. Assignment, Liability, Indemnity, Uncontrollable Force, Consequential Damages, and Default**

7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the Interconnection Customer promptly notifies the Distribution Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Distribution Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Distribution Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.



- 7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
- 7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.
- 7.4 Consequential Damages  
Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 7.5 Uncontrollable Force
- 7.5.1 As used in this article, an Uncontrollable Force Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by

governmental, military or lawfully established civilian authorities, or any other cause beyond the reasonable control of the Distribution Provider or Interconnection Customer which could not be avoided through the exercise of Good Utility Practice. An Uncontrollable Force Event does not include an act of negligence or intentional wrongdoing by the Party claiming Uncontrollable Force."

- 7.5.2 If an Uncontrollable Force Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Uncontrollable Force Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Uncontrollable Force Event. The notification must specify in reasonable detail the circumstances of the Uncontrollable Force Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Uncontrollable Force Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Uncontrollable Force Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

## 7.6 Default

- 7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.
- 7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

**Article 8. Insurance**

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Distribution Provider, except that the Interconnection Customer shall show proof of insurance to the Distribution Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Distribution Provider agrees to maintain general liability insurance or self-insurance consistent with the Distribution Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Distribution Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

**Article 9. Confidentiality**

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory

- requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

## **Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.

- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

#### **Article 11. Taxes**

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Distribution Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

#### **Article 12. Miscellaneous**

- 12.1 Governing Law, Regulatory Authority, and Rules  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of California (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 12.2 Amendment  
The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.
- 12.3 No Third-Party Beneficiaries  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 12.4 Waiver
  - 12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Distribution Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all transmission providers, market participants, and interconnection customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority.

All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Distribution Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 Reservation of Rights

The Distribution Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power

Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

### **Article 13. Notices**

#### **13.1 General**

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: SS San Antonio West, LLC  
 Attention: Michael Latham  
 Address: 5707 Rocking Horse Way  
 City: State: Zip: Orange, CA 92869  
 Phone: 714-288-9717  
 Fax: NA

If to the Distribution Provider:

Distribution Provider: Southern California Edison Company  
 Attention: Grid Contracts Administration and Billing  
 Address: 2244 Walnut Grove Avenue  
 City: State: Zip: Rosemead, California 91770  
 Phone: (626) 302-9640  
 Fax: (626) 302-1152

#### **13.2 Billing and Payment**

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: SS San Antonio West, LLC  
 Attention: Michael Latham  
 Address: 5707 Rocking Horse Way  
 City: State: Zip: Orange, CA 92869  
 Phone: 714-288-9717  
 Fax: NA



Distribution Provider: Southern California Edison Company  
Attention: Grid Contracts Administration and Billing  
Address: 2244 Walnut Grove Avenue  
City: State: Zip: Rosemead, CA 91770

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: State: Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

If to the Distribution Provider:

Distribution Provider: Southern California Edison Company  
Attention: Grid Contracts Administration and Billing  
Address: 2244 Walnut Grove Avenue  
City: State: Zip: Rosemead, California 91770  
Phone: (626) 302-9640  
Fax: (626) 302-1152

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: SS San Antonio West, LLC  
Attention: Michael Latham  
Address: 5707 Rocking Horse Way  
City: State: Zip: Orange, CA 92869  
Phone: 714-288-9717  
Fax: NA

Distribution Provider's Operating Representative:

Distribution provider: Southern California Edison Company  
Attention: Grid Contracts Administration and Billing  
Address: 2244 Walnut Grove Avenue  
City: State: Zip: Rosemead, California 91770  
Phone: (626) 302-9640  
Fax: (626) 302-1152

13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

**Article 14. Signatures**

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

For the Distribution Provider

Name:     /s/ David L. Mead      
                        David L. Mead

Title: Vice President, Engineering & Technical Services

Date:     9-30-10    

For the Interconnection Customer

Name:             /s/ Michael Latham      
                                        Michael Latham

Title:     President    

Date:     11/12/10

## Attachment 1

### Glossary of Terms

**Affected System** – An electric system other than the Distribution Provider's Distribution System that may be affected by the proposed interconnection, including but not limited to the Transmission System.

**Applicable Laws and Regulations** – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Business Day** – Monday through Friday, excluding Federal Holidays.

**Default** – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

**Distribution Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Distribution System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

**Distribution Provider** – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Distribution Provider should be read to include the Distribution Owner when the Distribution Owner is separate from the Distribution Provider.

**Distribution System** – Those non-ISO transmission and distribution facilities, owned, controlled and operated by the Distribution Provider that are used to provide distribution service under the Tariff, which facilities and equipment are used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** – The additions, modifications, and upgrades to the Distribution Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Good Utility Practice** – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts

known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**Governmental Authority** – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

**Interconnection Customer** – Any entity, including the Distribution Provider, Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Distribution Provider's Distribution System.

**Interconnection Facilities** – The Distribution Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Distribution Provider's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Handbook** - A handbook, developed by the Distribution Provider and posted on the Distribution Provider's website or otherwise made available by the Distribution Provider, describing the technical and operational requirements for wholesale generators and loads connected to the Distribution System, as such handbook may be modified or superseded from time to time. In the event of a conflict between the terms of this SGIA and the terms of the Distribution Provider's Interconnection Handbook, the terms in this SGIA shall govern.

**Interconnection Request** – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Distribution Provider's Distribution System.

**ISO Tariff** – The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time, and accepted by FERC.

**Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request, or any other valid interconnection request to the Distribution Provider or the ISO, with a later queue priority date.

**Network Upgrades** – Additions, modifications, and upgrades to the Distribution Provider's Transmission System required at or beyond the point at which the Distribution System connects to the Distribution Provider's Transmission System to accommodate the interconnection of the Small Generating Facility to the Distribution Provider's Distribution System. Network Upgrades do not include Distribution Upgrades.

**Operating Requirements** – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, the California Independent System Operator Corporation, control area, or the Distribution Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

**Party or Parties** – The Distribution Provider, Distribution Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Distribution Provider's Distribution System.

**Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Small Generating Facility** – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Tariff** – the Wholesale Distribution Access Tariff, the Distribution Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission System** – Those facilities owned by the Distribution Provider that have been placed under the ISO's operational control and are part of the ISO Grid.

**Upgrades** – The required additions and modifications to the Distribution Provider's Distribution System and Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

## Attachment 2

### Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Distribution Provider, or the Distribution Owner. The Distribution Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

1. **Additional Terms:** For the purposes of Attachments 2 through 6, the following terms, when used with initial capitalization, whether in the singular or plural, shall have the meanings specified below:
  - (a) **Accounting Practice:** Generally accepted accounting principals and practices applicable to electric utility operations.
  - (b) **Applicable Reliability Standards:** The requirements and guidelines of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), and the control area of the Distribution System to which the Small Generating Facility is directly interconnected, including the requirements pursuant to Section 215 of the Federal Power Act.
  - (c) **Capital Additions:** Any modifications to the Distribution Provider's Interconnection Facilities in accordance with Article 4.1.2 of the Agreement. Such modifications may be any Units of Property which are added to the Distribution Provider's Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Distribution Provider's Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Distribution Provider's Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost. If Capital Additions are required in order to benefit the Distribution Provider, or because of damage caused by negligence or willful misconduct of the Distribution Provider, then the Interconnection Customer will not bear cost responsibility for such Capital Additions, and no adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost or One-Time Cost will be charged to Interconnection Customer for such Capital Additions.

- (d) Capital Additions Cost: All costs, excluding One-Time Cost, determined by Distribution Provider to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- (e) Capital Additions Payment: The sum of the Capital Additions Cost and associated One-Time Cost.
- (f) CPUC: The California Public Utilities commission, or its regulatory successor.
- (g) Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Article 6.3 of the Agreement.
- (h) Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to the Distribution Provider's retail electric customers for customer-financed added facilities, which does not compensate Distribution Provider for replacement of added facilities. The Customer-Financed Monthly Rate is provided in Section 13 of this Attachment 2.
- (i) Distribution Provider's Interconnection Facilities: Those facilities as described in Section 5(b) of this Attachment 2, as such facilities may be modified during the term of this Agreement.
- (j) Interconnection Facilities Charge: The monthly charge to the Interconnection Customer to recover the revenue requirements for the Distribution Provider's Interconnection Facilities calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost. The Interconnection Facilities Charge is provided in Section 13 of this Attachment 2.
- (k) Interconnection Facilities Cost: All costs, excluding One-Time Cost, determined by the Distribution Provider to be associated with the design, engineering, procurement, construction and installation of the Distribution Provider's Interconnection Facilities. The Interconnection Facilities Cost is provided in Section 11 of this Attachment 2.
- (l) Interconnection Facilities Completion Date: The date upon which the construction of the Distribution Provider's Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- (m) Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost and associated One-Time Cost. The Interconnection Facilities Payment is provided in Section 11 of this Attachment 2.
- (n) ITCC: The Income Tax Component of Contribution specified in the Preliminary Statement, Part M of SCE's tariff on file with the CPUC, applicable to the Distribution Provider's Interconnection Facilities. The ITCC applicable to the Distribution Provider's Interconnection Facilities Cost is provided in Section 9 of



this Attachment 2.

- (o) **One-Time Cost**: All costs determined by the Distribution Provider to be associated with the installation of Distribution Provider's Interconnection Facilities, and Capital Additions which are not capitalized.
- (p) **Point of Change of Ownership**: The point, as set forth in Attachment 3, where the Interconnection Customer's Interconnection Facilities connect to the Distribution Provider's Interconnection Facilities.
- (q) **Removal Cost**: The actual cost the Distribution Provider incurs for the removal of the Distribution Provider's Interconnection Facilities, which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Distribution Provider's Interconnection Facilities.
- (r) **Units of Property**: As described in Federal Energy Regulatory Commission's ("FERC") "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of the Agreement, and as such list may be amended from time to time.

2. **Description of Small Generating Facility:**

The Interconnection Customer's 1.5 MW (AC) solar photovoltaic generating facility located at 15710 San Antonio Avenue, Chino, CA 91710, including, but not limited to, a number of solar panels and three 500 KW Advanced Energy Solaron Inverters, for a total combined output not to exceed 1.5 MW at the generation facility site; power factor correction equipment; and appurtenant facilities (15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project).

3. **Point of Interconnection:**

The Point of Interconnection will be to SCE's existing Mosquito 12 kV circuit out of Kimball 66/12 kV Substation via an underground line extension to the applicant-owned 480 kV switchgear.

4. **Point of Change of Ownership:**

The Point of Change of Ownership is at the pull section of the new 480V switchboard panel provided and installed by Interconnection Customer.

5. **Interconnection Facilities:**

- (a) **Interconnection Customer's Interconnection Facilities:** Interconnection Customer shall:

- (i) install 480V switchboard which complies with Distribution Provider's electrical service requirements.
- (ii) install ISO metering.
- (iii) install civil construction, such as underground duct banks, as specified in Distribution Provider's drawings ("Civil Construction").
- (iv) acquire an agreement from the property owner or owners at 15710 San Antonio, Chino, CA 91766, for the right to obtain all permits to allow the Distribution Provider to have access to the Distribution Provider's Interconnection Facilities for construction, maintenance and repair. The agreement shall include the Distribution Provider's rights, requirements and terms where applicable, and shall provide for unrestricted access to the Distribution Provider's Interconnection Facilities.
- (v) meet requirements for realtime telemetry as indicated in the Interconnection Handbook, including appropriate physical facilities and space for remote terminal unit ("RTU"), appropriate input circuitry to the RTU, and T1 line terminations and associated equipment.

(b) **Distribution Provider's Interconnection Facilities:** Distribution Provider shall install:

- (i) approximately 900' of 100 XLP line from GS6548 to GS6766, and approximately 500' from PME5702 to a new switch
- (ii) primary and secondary cable and splices, metering, automated PME switch, 1500 kVA 12kV – 480V transformer.
- (iii) telecom installation required for real time telemetry requirements. It is assumed the local phone company will be capable of providing a T1 service to the project location.
- (iv) RTU for real time telemetry requirements. Notwithstanding that the RTU will be located on the Interconnection Customer's side of the Point of Change of Ownership, the Distribution Provider shall own, operate and maintain the RTU as part of the Distribution Provider's Interconnection Facilities.

6. **Removal of Distribution Provider's Interconnection Facilities:**

Following termination of the Agreement, the Distribution Provider will remove the Distribution Provider's Interconnection Facilities from service to the Interconnection Customer pursuant to Article 3.3 of the Agreement. On or before the date one year

following termination of the Agreement, the Distribution Provider shall notify the Interconnection Customer whether the Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities, or any part thereof. If Distribution Provider intends to physically remove the Distribution Provider's Interconnection Facilities or any part thereof, then Distribution Provider shall physically remove such facilities within two years from the date of notification of intent, and the Interconnection Customer shall pay the Removal Cost. If the Distribution Provider does not provide notification of intent to physically remove the Distribution Provider's Interconnection Facilities, or any part thereof, then the Interconnection Customer shall have no obligation to pay such Removal Cost.

7. **Charges:**

- (a) Interconnection Customer shall pay to Distribution Provider the following charges in accordance with the Agreement: (i) Interconnection Facilities Payment; (ii) Interconnection Facilities Charge; (iii) Removal Cost pursuant to Section 6 of this Attachment 2; (iv) Capital Additions Payment; (v) termination charges pursuant to Article 3.3 of the Agreement; and (vi) any reimbursable FERC fees pursuant to Section 10(h) of this Attachment 2.
- (b) The Interconnection Facilities Cost, One-Time Cost, Capital Additions Cost, and Removal Cost shall be compiled in accordance with Accounting Practice.

8. **Security Amount:**

Pursuant to Article 6.3 of the Agreement, the Interconnection Customer shall provide the Credit Support for the amount of payment number two listed in Section 12 of this Attachment 2 and at the time specified in Attachment 4 Milestones, to cover the costs for constructing, procuring and installing the Distribution Provider's Interconnection Facilities. The disposition of any released Credit Support shall be directed by the Interconnection Customer. The calculation of the Security Amount pursuant to this Section 8 is as follows:

Interconnection Facilities Cost + One Time Cost – Payment Number One = Security Amount

$$\$344,000.00 + \$0.00 - \$45,000.00 = \$299,000.00$$

Pursuant to Article 6.3 of the Agreement, the Interconnection Customer shall provide cash or a letter of credit in the amount of \$299,000.00.

9. **Security Amount for Estimated Tax Liability:**

The Interconnection Customer shall provide the Credit Support for the estimated tax liability associated with the Distribution Provider's Interconnection Facilities as follows:

$(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate}) = 35\%$

Interconnection Facilities Cost = \$344,000.00

Estimated Tax Liability =  $35\% \times (\text{Interconnection Facilities Cost}) = 0.35 \times (\$344,000.00) = \$120,400.00$

Based on the Estimated Tax Liability, Interconnection Customer shall provide the Distribution Provider cash or a letter of credit in the amount of \$120,400.00, pursuant to Attachment 4 of the Agreement.

**10. Supplemental Billing and Payment Provisions:**

- (a) Pursuant to Article 6.1 of the Agreement, the Distribution Provider shall submit to the Interconnection Customer invoices for the Interconnection Facilities Payment.
- (b) The Interconnection Customer shall pay the Interconnection Facilities Payment in accordance with the payment schedule set forth in Section 12 of this Attachment 2.
- (c) Commencing on or following the Interconnection Facilities Completion Date, each month the Distribution Provider will render bills for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on the estimated Interconnection Facilities Cost as specified in Section 11 of this Attachment 2, and such payments shall be subject to later adjustment as described below. The Interconnection Facilities Charge for the first and last months of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.
  - (i) If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Distribution Provider will bill Interconnection Customer for the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based upon actual recorded costs, without interest, within thirty (30) calendar days of the final accounting report pursuant to Article 6.1.2 of the Agreement.
  - (ii) If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, Distribution Provider will refund Interconnection Customer the difference between the amounts previously paid by Interconnection Customer and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing following the final accounting report pursuant to Article 6.1.2 of the Agreement.

- (d) Distribution Provider will bill Interconnection Customer for the Capital Additions Payment prior to commencing any work on any Capital Additions, except that, at the Distribution Provider's sole discretion, the Distribution Provider may bill Interconnection Customer for the Capital Additions Payment after commencing such work if the Distribution Provider determines that the Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. Such billing shall initially be based on the Distribution Provider's cost estimates and shall be subject to later adjustment pursuant to Section 10 (e) of this Attachment 2.
- (e) Within three (3) months following the in-service date of any Capital Additions, the Distribution Provider shall determine the actual recorded Capital Additions Cost, including the associated One-Time Cost, and provide Interconnection Customer with a final invoice.
  - (i) If the amounts paid for the estimated Capital Additions Payment are less than the amounts due for the Capital Additions Payment as determined from the actual recorded Capital Additions Cost and associated One-Time Cost, Distribution Provider will bill Interconnection Customer for the difference between the amount previously paid by Interconnection Customer and the amount based upon actual recorded costs, without interest, within thirty (30) calendar days of the date of such invoice. The Interconnection Customer shall pay such bill within thirty (30) calendar days of the date of such invoice.
  - (ii) If the amounts paid for the estimated Capital Additions Payment are greater than the amounts due for the Capital Additions Payment as determined from the actual recorded Capital Additions Cost and associated One-Time Cost, Distribution Provider will refund Interconnection Customer for the difference between the amount previously paid by Interconnection Customer and the amount based upon actual recorded costs, without interest, within thirty (30) calendar days of such invoice.
- (f) Except as provided in Section 1(c) above, if such Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.
- (g) Except as provided in Section 1(c) above, if certain of Distribution Provider's Interconnection Facilities are removed to accommodate Capital Additions and such removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.
- (h) Interconnection Customer shall reimburse the Distribution Provider for all fees and

charges related to the FERC fees and annual charges provided in Sections 381 and 382 of the FERC's regulations (18 C.F.R. § 381 and 382), as such regulation may from time to time be amended, that are imposed on the Distribution Provider attributable to the service provided under the Agreement, or any amendments thereto. The Distribution Provider will render bills to Interconnection Customer for any such fees and charges incurred since the preceding billing. As of the Effective Date, no such fees and charges have been imposed on the Distribution Provider attributable to the service provided under this Agreement.

- (i) If, in accordance with Section 6 above, the Distribution Provider decides to physically remove the Distribution Provider's Interconnection Facilities, or any part thereof, the Distribution Provider shall render a bill to the Interconnection Customer for the Removal Cost. The Interconnection Customer shall pay the Removal Cost within thirty (30) calendar days of such bill. Such billing shall initially be based upon the Distribution Provider's estimate of the Removal Cost. Within twelve (12) months following the removal of the Distribution Provider's Interconnection Facilities, or any part thereof, the Distribution Provider shall determine the recorded Removal Cost and provide the Interconnection Customer with a final invoice.
- (i) If the amounts paid for the estimated Removal Cost are less than the amounts due for the actual Removal Cost, Distribution Provider shall bill Interconnection Customer for the difference between the amounts previously paid by Interconnection Customer and the actual recorded costs, without interest, within thirty (30) calendar days of the date of such invoice. The Interconnection Customer shall pay such bill within thirty (30) calendar days of the date of such invoice.
- (ii) If the amounts paid for the estimated Removal Cost are greater than the amounts due for the actual Removal Cost, Distribution Provider shall refund Interconnection Customer for the difference between the amounts previously paid by Interconnection Customer and the actual recorded costs, without interest, within thirty (30) calendar days of such invoice.

## 11. Interconnection Facilities Cost Summary

(a) Estimated Cost:

Item	Element	Interconnection Facilities Cost	One Time Cost	Total Cost
1	900' of 100 XLP	\$83,000.00	\$0.00	\$83,000.00
2	Cable & Splices, Metering, Automated PME,	\$172,000.00	\$0.00	\$172,000.00

	Secondary 480 V cables, 1500 kVa 480 /12kV transformer			
3	Telemetry-- Telecom	\$57,000.00	\$0.00	\$57,000.00
4	Telemetry--RTU	\$32,000.00	\$0.00	\$32,000.00
	Total	\$344,000.00	\$0.00	\$344,000.00

**Interconnection Facilities Payment = \$344,000.00**

[Interconnection Facilities Cost (\$344,000.00) + associated One-Time Cost \$0.00]

(b) Actual Cost:

Item	Elements	Interconnection Facilities Cost	One Time Cost	Total Cost

**12. Payment Summary for Distribution Provider's Interconnection Facilities:**

<b>Payment</b>	<b>Interconnection Facilities Cost</b>	<b>One-Time Cost</b>	<b>Project Payment</b>	<b>*ITCC</b>	<b>Payment Due Date</b>
1	\$45,000.00	\$0.00	\$45,000	\$15,750.00	Within 30 calendar days after the Effective Date
2	\$299,000.00	\$0.00	\$299,000	\$104,650.00	Within 75 calendar days after the Effective Date
Total	\$344,000.00	\$0.00	\$344,000.00	\$120,400.00	

**\*ITCC will be provided by Interconnection Customer in accordance with Attachment 2, Section 9.**

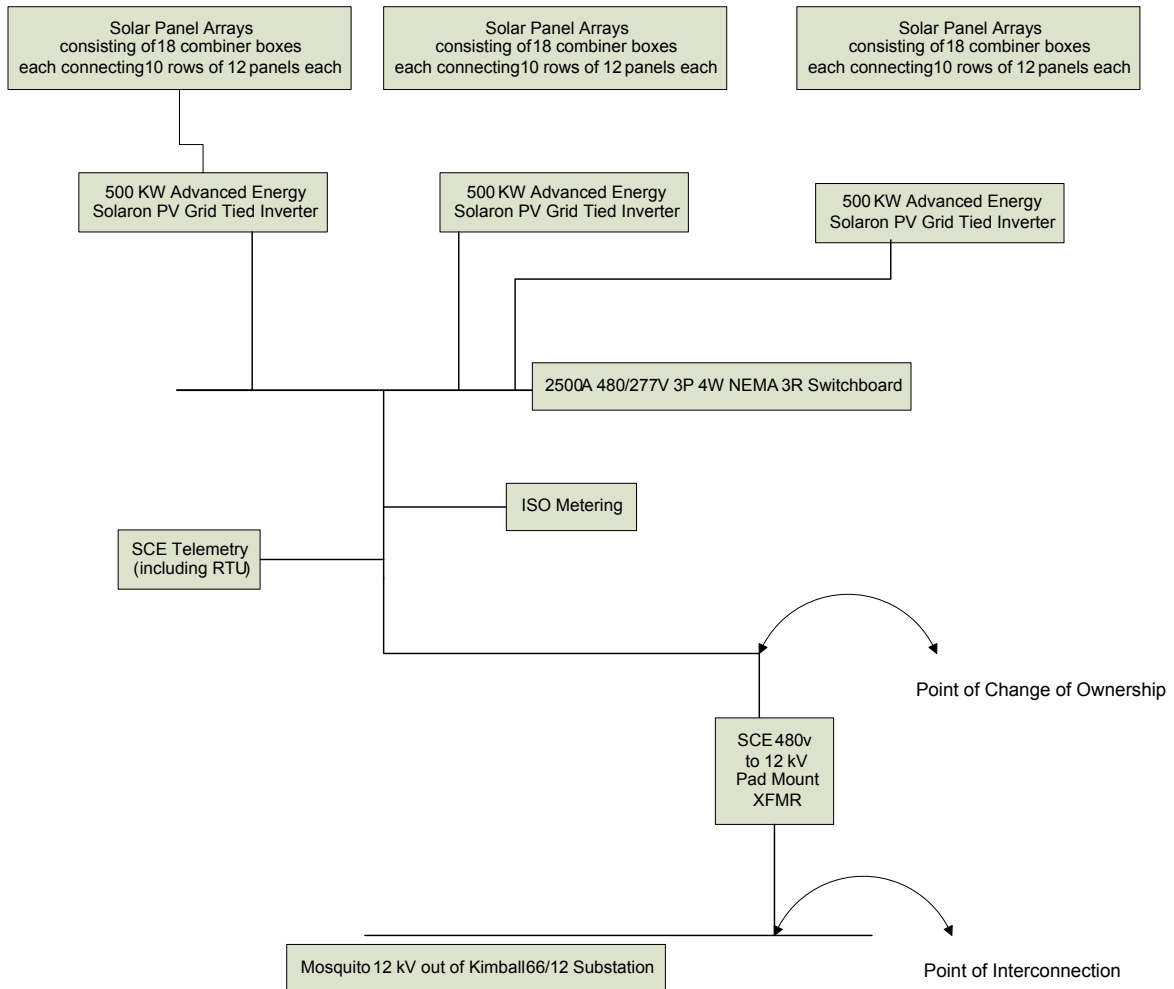
**13. Interconnection Facilities Charge:**

<b>Effective Date</b>	<b>Customer -Financed Monthly Rate</b>	<b>Estimated Interconnection Facilities Cost</b>	<b>Interconnection Facilities Charge Based on Estimated Cost</b>	<b>Actual Interconnection Facilities Cost</b>	<b>Interconnection Facilities Charge Based on Actual Cost</b>
As of the Interconnection Facilities Completion Date	0.38%	\$344,000.00	\$1,307.20	[To be inserted after true-up]	[To be inserted after true-up]



### Attachment 3

## One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades



### Attachment 4 Milestones

Interconnection Facilities Completion Date: March 1, 2011  
Critical milestones and responsibility as agreed to by the Parties:

	<b>Milestone</b>	<b>Responsible Party</b>	<b>Due Date</b>
a.	Submittal of payment number one pursuant to Section 12 of the Agreement and security instrument to Distribution Provider pursuant to Article 6.3 of the Agreement for payment no. 2 listed in the payment summary table in Section 12	Interconnection Customer	Within 30 calendar days of the Effective Date
b.	Submittal of security for the estimated tax liability to the Distribution Provider pursuant to Section 12 of Attachment 2	Interconnection Customer	Within thirty (30) calendar days of the Effective Date
c.	Provide panel drawings, easements/lease agreements, grading plans, sewer and storm plot plans, landscape, sprinkler and pedestal locations, and plans to provide telemetry to the remote terminal unit ("Required Information").	Interconnection Customer	Within 30 calendar days of the Effective Date
d.	Provide to the Distribution Customer an Incremental Facilities Cost estimate based on design of Distribution Provider's Interconnection Facilities, and provide comments on the plans to provide telemetry to the remote terminal unit.	Distribution Provider	Within 60 business days of Distribution Provider's receipt of the Required Information
e.	Submittal of payment number 2 pursuant to Section 12 of Attachment 2	Interconnection Customer	Within 75 calendar days of the Effective Date

f.	Construction of Distribution Provider's Interconnection Facilities and	Distribution Provider	Nine (9) months after the Effective Date, assuming line item b has occurred timely.
g.	Notification of Testing and Inspection of Interconnection Customer's Interconnection Facilities Pursuant to Article 2.1.1 of the Agreement	Interconnection Customer	Within five (5) Business Days prior to such testing and inspection
h.	Proposed Interconnection Customer's interconnection facilities completion date	Interconnection Customer	March 1, 2011
i.	Written Acknowledgement of Interconnection Customer's Interconnection Facilities Written Test Report Pursuant to Article 2.1.2 of the Agreement	Distribution Provider	Within five (5) Business Days of the Interconnection Customer's Submission of Test Report
j.	Proposed Initial Synchronization Date	Interconnection Customer	July 30, 2011
k.	Submission of Written Documentation Reflecting Interconnection Customer's Satisfaction of Parallel Operation Requirements Pursuant to Article 2.2.2 of the Agreement	Interconnection Customer	Within thirty (30) Business Days prior to the Commercial Operation Date
l.	Proposed Commercial Operation Date	Interconnection Customer	August 30, 2011
m.	Distribution Provider's Written Authorization Authorizing Interconnection Customer to Operate its Small Generating Facility in Parallel with Distribution Provider's Distribution System Pursuant to Article 2.2.2 of the Agreement	Distribution Provider	Within ten Business Days after Interconnection Customer's Satisfaction of Parallel Operation Requirements Pursuant to Article 2.2.2.
n.	Notification of Interconnection Customer's Intention to Begin On-Site Verification Testing of Small Generating Facility Pursuant to Article 2.3.1 of the Agreement	Interconnection Customer	Five Days Prior to the Interconnection Customer's Verification Testing Date

Agreed to by:

For the Distribution Provider     /s/ David L. Mead     Date   9-30-10    
David L. Mead

For the Distribution Owner (If Applicable) \_\_\_\_\_ Date \_\_\_\_\_

For the Interconnection Customer   /s/ Michael Latham   Date   11/12/10    
Michael Latham

## Attachment 5

### **Additional Operating Requirements for the Distribution Provider's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs**

The Distribution Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Distribution Provider's Distribution System.

#### **1. Interconnection Customer Operation Principles:**

- (a) In accordance with Article 1.5.4 of this Agreement, the Interconnection Customer shall operate the Small Generating Facility and the Interconnection Customer's Interconnection Facilities in accordance with the Attachment C. Section 2.2.3 of the Tariff.
- (b) The Agreement governs the facilities required to interconnect the Small Generating Facility to Distribution Provider's electrical system pursuant to the Tariff and as described herein. Interconnection Customer shall be responsible for making all necessary operational arrangements with the ISO, including, without limitation, arrangements for obtaining transmission service from the ISO, and for scheduling delivery of energy and other services to the ISO Grid.
- (c) The maximum capacity of the Distribution Provider's Interconnection Facilities and made available by the Distribution Provider to the Interconnection Customer for the purpose of interconnecting the Small Generating Facility to the Distribution Provider's Distribution System under the Agreement shall be 1.5 MW. The Interconnection Customer acknowledges that if the Interconnection Customer wishes to increase the amount of interconnection capacity provided pursuant to the Agreement, the Interconnection Customer shall be required to submit a new application in accordance with the terms and conditions of the Tariff.
- (d) In the event the Distribution Provider's Interconnection Facilities are utilized to provide retail service to the Interconnection Customer in addition to the wholesale interconnection service provided herein, and the Interconnection Customer fails to make payment for such retail service in accordance with the Distribution Provider's applicable retail tariffs, the Distribution Provider's Interconnection Facilities may be removed from service to the Interconnection Customer, subject to the notice and cure provisions of such retail tariffs, until payment is made by the Interconnection Customer pursuant to such retail tariffs.
- (e) The costs associated with any mitigation measures required to third party transmission systems resulting from the interconnection of the Small Generating Facility to the Distribution Provider's electrical system are not reflected in the Agreement. The Distribution Provider shall have no responsibility to pay for costs

associated with any such mitigation measures.

- (f) Distribution Provider shall use commercially reasonable efforts to construct, successfully test and declare ready for service the Distribution Provider's Interconnection Facilities on or before March 1, 2011, assuming the Agreement is executed by November 1, 2010. However, Interconnection Customer understands and acknowledges that such date is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service date beyond that specified.
- (g) Review by the Distribution Provider of the electrical specifications, design, construction, operation, or maintenance of the Small Generating Facility or the Interconnection Customer's Interconnection Facilities shall not constitute any representation as to the economic or technical feasibility, operational capacity, or reliability of such facilities. The Interconnection Customer shall in no way represent to any third party that any such review by the Distribution Provider of such facilities, including, but not limited to, any review of the design, construction, operation, or maintenance of such facilities by the Distribution Provider, is a representation by the Distribution Provider as to the economic or technical feasibility, operational capability, or reliability of the Generating Facility or the Interconnection Customer's Interconnection Facilities.
- (h) Interconnection Customer shall, at its sole expense, design, engineer, procure, and construct the Civil Construction in accordance to the Distribution Provider's civil drawings.
- (i) Interconnection Customer shall at all times indemnify, defend and save Distribution Provider harmless from any and all damages, losses, claims, demands, suits, recoveries, cost and expenses, court cost, attorney fees, and all other obligations by third parties, arising out of or resulting from the Civil Construction, except in the case of gross negligence or intentional wrongdoing by Distribution Provider.
- (j) Prior to commencing construction of the Civil Construction, Distribution Provider shall review Interconnection Customer's construction documents and Interconnection Customer shall obtain Distribution Provider's approval of the design, engineering, and layout of the Civil Construction. Such approval shall not be unreasonably withheld.
- (k) During construction of the Civil Construction, Distribution Provider shall have the right to access the Civil Construction to conduct inspections.
- (l) If at any time during construction, Distribution Provider determines that the Civil Construction does not meet Distribution Provider's standards and specifications, Interconnection Customer shall remedy such deficiencies.
- (m) Following completion of construction of the Civil Construction and prior to the in-

service date of the Civil Construction, the Distribution Provider shall provide final inspection and field testing of the Civil Construction, and Interconnection Customer shall obtain (i) Distribution Provider's acceptance of the Civil Construction and (ii) an inspection release from the proper inspection authority.

- (o) Within one hundred-eighty (180) calendar days of the Commercial Operation Date, Interconnection Customer shall deliver to Distribution Provider "as-built" drawings, information, and any other documents that are required by Distribution Provider to assure that the Civil Construction are built to the standards and specifications required by Distribution Provider.

## 2. **Interconnected Operations:**

- (a) The Parties agree that the Interconnection Customer shall not hold the Distribution Provider liable for damage to any Small Generating Facility turbines that may be caused due to sympathetic generation tripping associated with the Interconnection customer's induction turbine design.
- (b) The Interconnection Customer shall cause the Small Generating Facility to participate in any Special Protection Systems (SPS) required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and ISO Tariff provisions and protocols. The Interconnection Customer shall not be entitled to any compensation from the Distribution Provider, pursuant to the Agreement, for loss of generation output when (i) the Small Generating Facility generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. Pursuant to Good Utility Practice, the Interconnection Customer shall not energize the Small Generating Facility for any reason without specific permission from the Distribution Provider's operations personnel. Such permission shall not be unreasonably withheld.
- (c) Each Party shall comply with Applicable Reliability Standards. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- (d) Compliance with Applicable Reliability Standards: The Interconnection Customer shall comply with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities and the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project. The Distribution Provider will not assume any responsibility for complying with mandatory reliability standards for such facilities and offers no opinion whether the Interconnection Customer must register with NERC. Such determination is the responsibility of the Interconnection Customer. If required to register with NERC, the Interconnection Customer shall be responsible

for complying with all Applicable Reliability Standards for the Interconnection Customer's Interconnection Facilities up to the Point of Change of Ownership as described in Section 4 of Attachment 2 of this SGIA.

- (e) Each Party shall, at its own expense, maintain in force throughout the period of this SGIA, and until released by the other Party, the following minimum insurance coverages, with insurers rated no less than A- (with a minimum size rating of VII) by Bests' Insurance Guide and Key Ratings and authorized to do business in the state where the Point of Interconnection is located:
- (i) Employer's Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located. Either party may meet the requirement for workers compensation insurance through self insurance if it is authorized to self insure by the applicable state.
  - (ii) Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
  - (iii) Business Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
  - (iv) For this 1.5 MW project, excess Public Liability Insurance over and above the Employer's Liability Commercial General Liability and Business Automobile Liability Insurance coverage, with a minimum combined single limit of one Million Dollars (\$1,000,000.00) per occurrence/ one Million Dollars (\$1,000,000.00) aggregate. The requirements of section ii and iv may be met by any combination of general and excess liability insurance.
  - (v) The Commercial General Liability Insurance, Business Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, its subsidiaries and the respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party



Group and endeavor to provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- (vi) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
  - (vii) The Commercial General Liability Insurance, Business Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
  - (viii) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
  - (ix) No later than ten (10) Business Days prior to the anticipated commercial operation date of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- (f) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Article 8 of this Agreement and Attachment 5 Section 2(e) to the extent it maintains a self-insurance program; provided that, Interconnection Customer's senior unsecured debt or issuer rating is BBB-, or better, as rated by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Article 8 of this Agreement and Attachment 5 Section 2(e). For any period of time that Interconnection Customer's senior unsecured debt rating and issuer rating are both unrated by Standard & Poor's or are both rated at less than BBB- by Standard & Poor's, each Party shall comply with the insurance requirements applicable to it under Article 8 of this Agreement and Attachment 5 Section 2(e). In the event that a Party is permitted to self-insure, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that

specified in Article 8 of this SGIA and Attachment 5 Section 2(e).

- (g) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this SGIA.

## **Attachment 6**

### **Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs**

The Distribution Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Distribution Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

1. **Network Upgrades: None.**
2. **Distribution Upgrades: None.**

Southern California Edison Company  
Tariff Title: Wholesale Distribution Access Tariff  
Tariff Record Title: Service Agreement No. 286

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FERC FPA Electric Tariff

**SERVICE AGREEMENT FOR  
WHOLESALE DISTRIBUTION SERVICE**

**Between**

**SOUTHERN CALIFORNIA EDISON**

**And**

**SS SAN ANTONIO WEST, LLC**

**(Project: 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project)**

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Contract Effective Date: 11/22/10  
905.286.0  
WDT426

Tariff Record Proposed Effective Date: 11/22/10  
Version Number: 0.0.0  
Option Code: A

Project: 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project

SERVICE AGREEMENT FOR WHOLESALE DISTRIBUTION SERVICE

1. This Service Agreement, dated as of the date executed by the Distribution Customer, is entered into, by and between Southern California Edison Company's Transmission and Distribution Business Unit ("Distribution Provider"), and SS San Antonio West, LLC ("Distribution Customer").
2. The Distribution Customer has been determined by the Distribution Provider to have a Completed Application for Distribution Service under the Tariff.
3. The Distribution Customer has provided to the Distribution Provider an Application deposit in the amount of \$600.00, in accordance with the provisions of Section 15.2 of the Tariff.
4. Service under this Service Agreement shall commence on the later of (1) March 1, 2011, or (2) the date on which construction of any Direct Assignment Facilities and/or Distribution System Upgrades specified in Sections 7.0 and 8.0 of the attached Specifications For Wholesale Distribution Service are completed and all additional requirements are met pursuant to Section 13.5 of the Tariff, or (3) such other date as it is permitted to become effective by the Commission. Service under this Service Agreement shall terminate on the earliest of the following to occur: (1) the termination date of the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project Small Generator Interconnection Agreement between Distribution Provider and Distribution Customer executed concurrently herewith ("SGIA"), or (2) the date on which Distribution Provider terminates at Distribution Provider's option, subject to FERC acceptance, if: (i) prior to the Interconnection Facilities Completion Date, completion

and energization of the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project are suspended or the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project is terminated; or (ii) Distribution Customer does not utilize the Distribution Service provided under this Service Agreement for a period of two consecutive years or more following the commencement date of Distribution Service under this Service Agreement (except for any period when Distribution Customer does not utilize the Distribution Service due to the occurrence of an Uncontrollable Force or default of Distribution Provider under this Service Agreement), or (3) at Distribution Provider's option, upon failure by Distribution Customer to provide Distribution Provider advance notice prior to making any changes (other than maintenance which is addressed in Attachment C, Section 2.2.4 of the Tariff) to the generation or power transformation facilities and equipment which comprise the Distribution Customer's 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project. Distribution Customer shall notify Distribution Provider within a reasonable time prior to the date when such changes are planned to be placed in service so that the Distribution Provider can evaluate any potential system impacts which may occur as a result of such changes and whether such changes will require a new Application under the Tariff. If Distribution Customer fails to provide Distribution Provider advance notice of changes to the generation or power transformation equipment and facilities which comprise the Distribution Customer's 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project and any such change does or may cause material system impacts or is or may be materially inconsistent with the service provided pursuant to this Service Agreement, Distribution Provider shall have the right to terminate this Service Agreement subject to FERC acceptance or approval.

5. The Distribution Provider agrees to provide and the Distribution Customer agrees to take and pay for Distribution Service in accordance with the provisions of the Tariff and this Service Agreement.

6. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Distribution Provider:

Southern California Edison Company

Transmission & Distribution Business Unit

Manager, Grid Contracts Administration and Billing

P. O. Box 800

2244 Walnut Grove Avenue

Rosemead, California 91770

Telefax No. (626) 302-1152

Telephone No. (626) 302-9640

Distribution Customer:

SS San Antonio West, LLC

Michael Latham

5707 Rocking Horse Way

Orange, CA 92869

Telefax No. NA

Telephone No. 714-288-9717

7. The Tariff and attached Specifications For Wholesale Distribution Service are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Distribution Provider:

By: <u>/s/ David L. Mead</u>	<u>Vice President, Engineering &amp; Technical Services</u>	<u>9-30-10</u>
David L. Mead	Title	Date

Distribution Customer:

By: <u>/s/ Michael Latham</u>	<u>President</u>	<u>11/12/10</u>
Michael Latham	Title	Date



SPECIFICATIONS FOR WHOLESALE DISTRIBUTION SERVICE

1. Term of Transaction: See Section 4 of the Service Agreement  
Service Commencement Date: See Section 4 of the Service Agreement  
Termination Date: See Section 4 of the Service Agreement
2. For a Resource connected to the Distribution Provider's Distribution System, a description of capacity and energy to be transmitted by Distribution Provider and a five year forecast of monthly Generation: Distribution Customer's 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project as defined in the SGIA. Capacity shall be as specified in Section 6 below. Distribution Customer shall provide Distribution Provider a five-year forecast of monthly Generation.
3. Point of Receipt: A tap on the Distribution Provider's Mosquito 12 kV Distribution Line.  
Point of Delivery: The ISO Grid at the 220 kV bus of SCE's Chino Substation.  
Receiving Party: The California Independent System Operator Corporation.
4. Description of Wholesale Distribution Load at the Point of Delivery (including a five year forecast of monthly load requirements): Not Applicable.
5. Interruptible Load amount (summer and winter), location and conditions/limitations (five year forecast): Not Applicable.
6. For Resources, the maximum amount of capacity and energy to be transmitted. For Wholesale Distribution Load, the estimated peak load for informational purposes only: 1.5 MW. Distribution Customer shall participate in ISO congestion management. Distribution Customer is aware that the 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project will compete with other market generation for available transmission capacity in accordance with

ISO protocols. Distribution Customer shall participate in any special protection system (SPS) required to prevent thermal overloads and unstable conditions resulting from outages. Such participation shall be in accordance with applicable FERC regulations, and ISO Tariff provisions and protocols. Distribution Customer will not be entitled to any compensation from SCE, pursuant to this Agreement, for loss of generation output when (i) 15710 San Antonio Avenue, Chino, CA 91710 Roof Top Solar Project generation is reduced or tripped off-line due to implementation of the SPS; or (ii) such generation output is restricted in the event the SPS becomes inoperable. The ISO metering facilities shall be, notwithstanding Attachment C Section 1 of the Tariff, owned by the Distribution Customer and located on the Distribution Customer's side of the Point of Receipt. Distribution Customer shall be responsible for the installation, maintenance, testing and certification of the ISO metering facilities in accordance with applicable ISO Tariff provisions and Metering Protocol. Distribution Customer shall be responsible for all costs associated with the testing and certification of ISO metering facilities.

7. Direct Assignment Facilities: Provided for in the SGIA between Distribution Provider and Distribution Customer executed concurrently herewith.

8. Distribution System Upgrades required prior to the commencement of service: None.

9. Real Power Loss Factors: 3.73% Credit to Distribution Customer

10. Power Factor: The Distribution Customer is required to maintain its power factor within a range of 0.95 lagging to 0.95 leading (or, if so specified in the Service Agreement, a greater range), pursuant to Good Utility Practice. This provision recognizes that a Distribution Customer may provide reactive power support in accordance with Section 12.10 (Self Provision of Ancillary Services), of this Tariff. The operating power factor at the Point of Receipt shall be at unity unless Distribution Customer is otherwise notified by the Distribution Provider to

maintain a specified voltage schedule while operating within the power factor range as specified above.

11. Distribution Service under this Agreement will be subject to the charges detailed below.

11.1 Customer Charge: None.

11.2 Demand Charge: None, pursuant to Section 21.2.2 of the Tariff.

11.3 Facilities Charge: The monthly Interconnection Facilities Charge of \$1,307.20, which is the product of 0.38% (Customer-Financed Monthly Rate) and \$344,000.00 (Interconnection Facilities Cost), provided for under the SGIA.

11.4 System Impact and/or Facilities Study Charge(s): None

12. Letter of credit or alternative form of security to be provided and maintained by

Distribution Customer pursuant to Sections 8 and 16.4 of the Tariff: Provided for in the SGIA.