



080257

May 7, 2008

RECEIVED-FPSC
08 MAY -7 PM 2:30
COMMISSION
CLERK

VIA HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition to modify tariff sheets regarding Net Metering and Generation Interconnection
by Progress Energy Florida, Inc.; Docket No. _____

Dear Ms. Cole:

Please find enclosed for filing on behalf of Progress Energy Florida, Inc. the
original and seven (7) copies of its petition to modify tariff sheets regarding Net Metering
and Generation Interconnection as set forth in Rule 25-6.065, F.A.C.

Thank you for your assistance in this matter. Should you have any questions,
please feel free to call me at (727) 820-5184.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL 1 _____
- OPC 1 _____
- PCA _____
- SCR _____
- SGA _____
- SEC _____
- CLK 1 _____
- OTH _____

Sincerely,

John T. Burnett CMS
John T. Burnett

Progress Energy Florida, Inc.
1061 College Avenue
Suite 800
Tallahassee, FL 32301

DOCUMENT NUMBER - DATE

03764 MAY-7 08

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Modify Tariff Sheets)
Regarding Net Metering and)
Generation Interconnection.)

Docket No. 080257
Filed: May 7, 2008

**PETITION FOR APPROVAL OF NET METERING TARIFF, NEW
INTERCONNECTION AGREEMENTS AND MODIFICATION OF VARIOUS
RELATED TARIFF SHEETS**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of original tariff sheets 7.310-7.313, 7.320-7.323, 7.330-7.333 and 4.085 along with modifications to PEF's tariff sheet Nos. 7.000, 7.280-7.282, 4.000-4.001 and 4.020 required to implement the net metering provisions and changes associated with generation interconnection agreements as set forth in Rule 25-6.065, F.A.C. Exhibits A and B attached hereto are the tariff sheets in legislative and clean copy format. In support of this Petition, PEF states as follows:

1. PEF is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF's General Offices are located at 299 First Avenue North, St. Petersburg, FL 33701.

2. All notices, pleadings and other communications required to be served on petitioner should be directed to:

John T. Burnett, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5 184
Facsimile: (727) 820-5249

For express deliveries by private courier, the address is:

299 First Avenue North
Suite PEF-151
St. Petersburg, FL 33701

DOCUMENT NUMBER LABEL
03764 MAY-7 8
FPSC-COMMISSION CLERK

3. In accordance with the changes made to Rule 25-6.065 F.A.C., in particular the applicability of the rule to “renewable” generation rather than small photovoltaic systems (SPS) and the distinction of the three tiers for generation size, the Company has proposed to eliminate and reserve for future use its current tariff sheets 7.280-7.282 which applied only to SPS and to originate separate contracts for each generator size tier. The company has proposed original tariff sheets 7.310-7.313 for tier 1, tariff sheets 7.320-7.323 for tier 2 and tariff sheets 7.330-7.333.

4. As a point of clarification, current tariff sheet 7.282 is the application form for customers who wish to interconnect to the PEF system. In response the customers desire to expedite the application process, the Company is proposing to remove this form from the tariff and make it readily available for customers to download from the Company website. The form has been revised in accordance with revised Rule 25-6.065 F.A.C., including requiring customers to provide necessary information to facilitate the Company’s annual reporting requirements in accordance with the rule. The Company has attached a copy of its revised form with this filing for information purposes only in Exhibit C.

5. The net metering provision of revised Rule 25-6.065 F.A.C. also require the Company to implement a net metering tariff which incorporates a metering and billing methodology whereby customer-owned renewable generation is allowed to offset the customers consumption on-site. The Company has proposed original tariff sheet 4.085 “net metering for customer owned renewable generation” to comply with this rule.

6. Incidental to these above tariff changes, the Company had proposed changes to its tariff sheets 7.000, 4.000, 4.001 and 4.020 as these sheets are affected by the above changes or provide clarifications in the definitions and character of service to distinguish service provided under the net metering tariff provisions from the Company’s Standby Service tariff.

7. Because the Company currently has existing customers with customer-owned generation for which these changes will apply, and these customers billing cycles are spread throughout the month, for consistent treatment of these customers, the Company is seeking the effective date of these changes to be the first billing cycle of the month following Commission approval.

8. In accordance with Rule 25-6.065, F.A.C. the Company has provided in Exhibit D hereto, the cost justification for the proposed standard application fees included in tariff sheets 7.320 and 7.330 for Tier 2 and Tier 3 interconnection requests.

9. Original and revised Tariff Sheet Nos. 7.000, 7.280-7.282, 7.310-7.313, 7.320-7.323, 7.330-7.333, 4.000-4.001, 4.085, 4.020 incorporate modifications that need to be made to PEF's current tariff sheets to comply with the changes made in the recently approved Rule 25-6.065, F.A.C. regarding net metering and interconnection of customer-owned renewable generation less than 2 megawatts, primarily intended to offset customer usage the size of which does not exceed 90% of the customers utility distribution service.

10. In this petition, PEF requests that additions and changes to the appropriate tariff sheets be approved as revised in the manner set forth in Exhibits A-B attached hereto in order to conform to the modifications and provisions as set forth in Rule 25-6.065, F.A.C. which became effective on April 7, 2008.

WHEREFORE, PEF respectfully requests the Commission to approve this Petition and the modifications to Sections IV and VII of the Company's Tariff, as set forth in Exhibits A-B hereto. In addition, the company respectfully requests that these changes be effective with the first billing cycle of the month following the date approved by this Commission.

Respectfully submitted,



JOHN T. BURNETT
Associate General Counsel – Florida
PROGRESS ENERGY SERVICE COMPANY, LLC
299 First Avenue North
St. Petersburg, FL 33701

Attorney for
PROGRESS ENERGY FLORIDA, INC.

Exhibit A

Original Tariff Sheet Nos.
4.085, 7.310-7.313, 7.320-7.323 and 7.330-7.333

Modified Tariff Sheet Nos.
4.000-4.001, 4.020, 7.000 and 7.280-7.282

(Legislative Version)

DOCUMENT NUMBER-DATE

03764 MAY-78

FPSC-COMMISSION CLERK

PART VIII**BILLING
(Continued)****8.08 Net Metering for Customer-Owned Renewable Generation**

For customers with renewable generation equipment that have executed an interconnection agreement with the Company whose customer-owned renewable generation is eligible for net metering as defined by FPSC rule 25-6.065, monthly billing will be prepared in the following manner:

- (1) At no additional cost to the customer, metering equipment will be installed by the Company capable of measuring the difference between the electricity supplied to the customer from the Company and the electricity generated by the customer and delivered to the Company's electric grid.
- (2) Meter readings will be taken monthly on the same cycle as required under the otherwise applicable rate schedule in accordance with normal billing practices.
- (3) The Company will charge the customer for energy used by the customer in excess of the generation supplied by customer-owned renewable generation for the entire billing cycle in accordance with the otherwise applicable rate schedule.
- (4) During any billing cycle, excess customer-owned renewable generation delivered to the Company's electric grid will be credited to the customer's energy consumption for the next month's billing cycle.
- (5) Regardless of whether excess energy is delivered to the Company's electric grid, the customer will be required to pay the greater of
 - i. the minimum charge as stated in their otherwise applicable rate schedule, or
 - ii. the applicable monthly customer charge plus the applicable demand charge for the monthly maximum 30-minute demand measured on the company's usage meter during the billing period in accordance with the otherwise applicable rate schedule
- (6) For customers whose otherwise applicable rate schedule is a time of use (TOU) rate, the generation supplied by customer-owned renewable generation to the Company will be measured by the distinct TOU periods of that rate schedule and offset customer usage in the current month or subsequent periods using the distinct TOU periods of that rate schedule.
- (7) Energy credits produced pursuant to section 4 above will accumulate and be used to offset the customer's energy usage in subsequent months for a period of not more than twelve months. After the end of each calendar year, the Company will credit the customer (on the February bill) for any unused energy credits at an average annual rate based on the COG-1, as-available energy tariff.
- (8) Excess energy consumption will be applied only to the service provided at the location of the renewable generation system and will not be applied to other locations or services at the same location that the customer may take from the Company.
- (9) When a customer leaves the Company's system, unused credits for excess kWh generated will be credited to the customer at an average annual rate based on the COG-1, as-available energy tariff.
- (10) The customer may, at their sole discretion, choose to take service under the Company's standby or supplemental service rate, if available. When a customer elects to take service under a standby or supplemental tariff, any excess consumption credited from prior periods in accordance with provision number 4 above, will be considered supplemental energy for billing purposes.

DOCUMENT NUMBER-DATE

03764 MAY-78



**PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR TIER 1 CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS (10kw or less)**

THIS AGREEMENT is made this day of , by and between
(hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and
Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called
the Company).

WITNESSETH:

WHEREAS, the Customer has made a request to interconnect its renewable generation Tier 1 system(s), 10
kilowatts or less in total, which is primarily intended to offset part or all of the customer's electricity requirements, with the
Company's electric supply grid at the Customer's presently metered location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company
and the Customer agree as follows:

General Responsibilities of both parties:

1. The Customer certifies that the system's hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct. The Customer shall notify the Company in writing of any changes to its system.
2. The Customer shall not be required to pay any application fee for this Tier 1 Customer-owned renewable generation system interconnection.
3. In order to commence the process for interconnection, the Customer shall provide the Company a completed application. Applications can be downloaded from the Company's website: www.progress-energy.com
4. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
5. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards of IEEE 1547, IEEE 1547.1 and UL 1741.
6. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to item 5 listed above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid in the event the electric grid loses power.
7. The Customer agrees to provide Local Building Code Official inspection and certification of installation. The certification shall reflect that the local code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
8. The Company recommends that the Customer maintain general liability insurance for personal injury and property damage in the amount of not less than one hundred thousand dollars (\$100,000).
9. The total capacity of the Customer generation system(s) does not exceed 90% of the rating of service currently provided to the customer (based on service size, transformer rating, etc.) and has a total gross power rating of 10kw or less.



10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
15. In the event the Company elects to install a manual disconnect switch, it shall be at the Company's expense. The Company installed disconnect switch shall be the visible load break type to provide a separation point between the AC power output of the Customer-owned renewable generator and any Customer wiring connected to the Company's system. The disconnect switch shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going compliance:

17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.



Modifications/Additions to Customer-owned Renewable Generation:

18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty days prior to making the modification.
19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
20. In the event any Customer modifications or additions result in the input to any Company meter so as to qualify as a Tier 2 or Tier 3 system, then all terms and condition, including appropriate notice, of the Interconnection Agreement for Tier 2 or Tier 3 systems shall apply.
21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.



- 29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted thereunder and return it to the Company at least thirty calendar days prior to beginning parallel operations.
- 30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.
- 31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.
- 32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

CUSTOMER

Signature of Customer or Authorized Representative

Title of Authorized Representative



**PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR TIER 2 CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS (>10kw, <= 100kw)**

THIS AGREEMENT is made this _____ day of _____ by and between _____ (hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called the Company).

WITNESSETH:

WHEREAS, the Customer has made a request to interconnect its renewable generation Tier 2 system(s), more than 10 kilowatts or less than or equal to 100 kilowatts in total, which is primarily intended to offset part or all of the customer's electricity requirements, with the Company's electric supply grid at the Customer's presently metered location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:

General Responsibilities of both parties:

1. The Customer certifies that the system's hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct. The Customer shall notify the Company in writing of any changes to its system.
2. The Customer shall pay an application fee of \$240 for this Tier 2 Customer-owned renewable generation system interconnection.
3. In order to commence the process for interconnection, the Customer shall provide the Company a completed application. Applications can be downloaded from the Company's website: www.progress-energy.com
4. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
5. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards of IEEE 1547, IEEE 1547.1 and UL 1741.
6. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to item 5 listed above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid in the event the electric grid loses power.
7. The Customer agrees to provide Local Building Code Official inspection and certification of installation. The certification shall reflect that the local code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
8. The Company requires that the Customer maintain general liability insurance for personal injury and property damage in the amount of not less than one million dollars (\$1,000,000).
9. The total capacity of the Customer generation system(s) does not exceed 90% of the rating of service currently provided to the customer (based on service size, transformer rating, etc.) and has a total gross power rating of 10kw _____ or _____ less.



- 10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
- 11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
- 12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
- 13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
- 14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
- 15. The Customer must install a manual AC load break disconnect switch at their expense which shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
- 16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going compliance:

- 17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.

Modifications/Additions to Customer-owned Renewable Generation:

- 18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty days prior to making the modification.



- 19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
- 20. In the event any Customer modifications or additions result in the input to any Company meter so as to qualify as a Tier 3 system, then all terms and condition, including appropriate notice, of the Interconnection Agreement for Tier 3 systems shall apply.
- 21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

- 22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

- 23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
- 24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

- 25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
- 26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

- 27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
- 28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.
- 29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted thereunder and return it to the Company at least thirty calendar days prior to beginning parallel operations.
- 30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.
- 31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.



32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

CUSTOMER _____ COMPANY _____

Signature of Customer or Authorized Representative Signature of Company Representative

Title of Authorized Representative Title of Company Representative



- 10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
- 11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
- 12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
- 13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
- 14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
- 15. The Customer must install a manual AC load break disconnect switch at their expense which shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
- 16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going compliance:

- 17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.

Modifications/Additions to Customer-owned Renewable Generation:

- 18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty _____ days prior to making the modification.



- 19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
- 20. In the event any Customer modifications or additions result in the input to any Company meter so as to exceed the limits of a Tier 3 system (capacity of more than 2 megawatts), then all terms and conditions of the net metering tariff no longer apply and the customer will be required to enter an agreement to sell all power to the Company at the As-Available and COG-1 tariff or the Standard Offer and COG-2 tariff.
- 21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

- 22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

- 23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
- 24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

- 25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
- 26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

- 27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
- 28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.
- 29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted thereunder and return it to the Company at least thirty calendar days prior to beginning parallel operations.
- 30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.



- 31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.
- 32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

_____ CUSTOMER _____ COMPANY _____

Signature of Customer or Authorized Representative Signature of Company Representative

Title of Authorized Representative Title of Company Representative

**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE****INDEX**

	<u>SHEET NO.</u>
Introduction	4.005
I. Definitions and Classifications	4.010
1.01 Definitions	
1.02 Service Classifications	
1.03 Rate Applications	
II. Availability and Establishment of Service	4.020
2.01 Application for Service	
2.02 Service Available	
2.03 Temporary Service	
2.04 Auxiliary or Standby Service	
2.05 Premium Distribution Service	
III. Contribution in Aid of Construction	4.030
3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities	
3.02 Route and Easement	
3.03 Installation by Customer	
3.04 Special Service Requirements	
3.05 Rework or Relocation of Existing Facilities	
IV. Terms and Conditions of Service	4.040
4.01 Service Connection	
4.02 Access to Customer Premises	
4.03 Protection of Company Equipment	
4.04 Continuity of Service	
4.05 Indemnification by Customer	
V. Meters	4.050
5.01 Installation and Maintenance of Meters	
5.02 Meter Seals	
5.03 Testing of Meters	
5.04 Tampering with Meters	
5.05 Provisions for Energy Pulse Data	
VI. Customer Utilization Equipment	4.060
6.01 General Principles	
6.02 Protecting Customer Installation	
6.03 Limitations on Customer's Installation	
6.04 Change in Customer's Installation	
6.05 Limiting Connected Load	
6.06 Accidental Grounds	
VII. Guarantee Deposits	4.070
7.01 Deposit Requirement	
7.02 Refund of Deposit	
7.03 New or Additional Deposit	
7.04 Interest on Deposit	

(Continued On Next Sheet)

**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE****INDEX**

	<u>SHEET NO.</u>
VIII. Billing	4.080
8.01 Billing Period	
8.02 Prorated Monthly Bills	
8.03 Measurement and Evidence of Consumption	
8.04 Delinquent Bills	
8.05 Vacating or Change of Occupancy	
8.06 Service Charges	
8.07 Adjustment of Bills	
<u>8.08 Net Metering for Customer-Owned Renewable Generation</u>	
IX. Limitations of Service	4.090
9.01 Confinement of Customer's Use	
9.02 Resales Prohibited	
9.03 Sub-Metering	
9.04 Crossing Public Ways Prohibited - Exception	
9.05 Attachments to Poles Prohibited	
X. Discontinuance and Withholding of Service	4.100
10.01 Grounds for Discontinuance or Withholding of Service	
10.02 Notice of Discontinuance	
10.03 Medically Essential Service	
10.04 Liability for Discontinuance	
10.05 Reconnection	
10.06 Customer's Deposit	
XI. Underground Residential Distribution Policy	4.110
11.01 Definitions	
11.02 General	
11.03 Underground Distribution Facilities for Residential Subdivision and Developments	
11.04 Underground Service Laterals from Overhead Electric Distribution Systems	
11.05 Underground Service Laterals Replacing Existing Residential Overhead Services	
11.06 Underground Distribution Facilities to Multiple-Occupancy Residential Buildings	
XII. Charges For Conversion of Existing Overhead to Underground Electric Distribution Facilities	4.120
12.01 Definitions	
12.02 General	
12.03 Installations not Covered	
12.04 Cost Estimate Fees	
12.05 Construction Contract	
12.06 Local Governmental Underground Cost Recovery	

Appendix: Requirements for Electric Service and Meter Installations

PART II

AVAILABILITY AND ESTABLISHMENT OF SERVICE

2.01 Application for Service:

Information may be obtained at the nearest Company office as to the availability of service at the location where it is desired, and application for such service should be made by the Customer at such office at the earliest possible time so that details for furnishing service may be determined. Unless otherwise agreed in writing by the Company, and except as provided in Part III hereof, applications will be accepted only upon the condition that the Company shall be under no obligation to render service other than that character of service then available at the proposed Point of Delivery. Any such application or agreement shall be subject to all the provisions of these Rules and Regulations and of the Rate Schedules, and the terms and conditions thereof shall be binding upon the Company as well as upon the Customer. In order to insure that capacity is available in Company equipment to provide satisfactory service to the Customer, load data must be submitted with the application for service. Load data should include the anticipated Connected Load and the anticipated Maximum Demand.

2.02 Service Available:

Technical specifications for type and location of service are provided in the "Requirements for Electric Service and Meter Installations" contained in the Appendix.

2.03 Temporary Service:

The Company will, where it has a source of supply readily available, furnish service for temporary installations as provided for in the Company's Rate Schedule TS-1.

2.04 Auxiliary or Standby Service:

Auxiliary service is electric service provided to customers in lieu of that which might otherwise be provided by customer-owned generation for which the customer is not otherwise required to take service under the Company's Standby Service tariff. Auxiliary or standby service is available and will be supplied by the Company under the applicable rate schedule. Parallel interconnected operation of the Customer-owned generation equipment's power service is permissible only if the customer has executed a standard interconnection agreement with proper written consent of the Company in accordance with the Company's filed contract forms. Such written consent will be conditioned upon Company approval of Customer's protective equipment. In the absence of an executed interconnection agreement ~~written consent~~ for parallel operation, the Customer's facilities shall be so installed and maintained as to prevent operation of his power sources in parallel with those of the Company.

2.05 Premium Distribution Service:

Upon request by a Customer, the Company will install facilities capable of providing automatic delivery transfer to an alternate distribution circuit in the event of an outage of the principal distribution circuit. The Customer shall pay a monthly amount for such facilities in accordance with the specified rate for additional equipment contained in the applicable general service rate schedule under which service is provided.

The Company will determine the alternate circuit for Premium Distribution Service on the basis of the most economic and feasible circuit deemed available by the Company. If the Customer is desirous of a particular alternate circuit other than that deemed by the Company, the Company will give consideration to such request but shall not be required to establish such desired circuit as the alternate circuit. Where construction is necessary to extend the selected alternate circuit to an interconnection point with service on the Customer's property, the Customer shall pay this cost fully as a Contribution-in-Aid-of-Construction to the Company.

The Customer shall also be subject to an additional Monthly Demand Charge for Premium Distribution Service as stated in the applicable general service rate schedule.

INDEX OF STANDARD CONTRACT AND OTHER AGREEMENT FORMS

FORM NO	DESCRIPTION	SHEET NO.
Form No. 1	Contract, Form No. 1 (after 11/21/98, applicable only to a Customer who requires this type form be executed for service under Rate Schedule LS-1, Lighting Service. Form No. LS-1HPS shall normally be used for application for service under LS-1).	7.010 - 7.011
Form No. 2	Contract Form No. 2 (applicable when service is provided under Company General Service Rate Schedules and special contract terms or investments in special facilities are required and furnished by the Company to provide service to the Customer).	7.020 - 7.021
IS-2 DISC	Interruptible General Service Rate Schedules IS-2 and IST-2 Risk Disclosure	7.025
CS-2 DISC	Curtailable General Service Rate Schedule CS-2 and CST-2 Risk Disclosure	7.027
Form No. 5	Contract, Form No. 5 (applicable when a contract is made between the Company and the Customer to cover advances by the Customer for construction).	7.030
DVLP DIST	Agreement for Electric Service Between Progress Energy Corporation (the "Utility") and _____ (the "Applicant") (applicable when a developer requests the Company to install a distribution system for a new development).	7.050
PEFI LSA	Leave Service Active Agreement (applicable to Customers who wish service to be left active on rental units, regardless if they are occupied or not).	7.070 - 7.071
3RD PRT	Request for Third Party Notification (applicable to Customers who request the Company to notify another person that their bill is overdue).	7.090
LS-1	Lighting Service Contract.	7.110 - 7.113
PEFI TOU	Application for TOU Rate (applicable to Customers requesting time of use rates).	7.120
PEFI GSLM	Rate Schedule GSLM-1 Customer Agreement (applicable to Customers requesting General Service Load Management).	7.150
MSTR MTR	Standard Letter Agreement (applicable to master metered Customers indicating understanding of rules and regulations affecting resale of electricity).	7.160
EQP RNTL	Standard Letter Agreement (applicable to Customers who request additional facilities at their service location).	7.170
GUAR CNTR	Guarantee Contract (applicable when a third party guarantees payment for another individual's billing).	7.180
STRT LTS	Agreement to Purchase and Sell Street Lighting System and to Furnish and Receive Electric Service	7.190 - 7.192
RES DEP	Residential Deposit Release - Releases current customer's deposit to new customer who then assumes responsibility for all payments of account.	7.220 - 7.221
PWR PAY	Power Pay - Customers bill is automatically paid from their checking account.	7.230
CISR	Contract Service Arrangement for service under the Commercial/Industrial Service Rider.	7.250 - 7.253
PPS	Premier Power Service - Contract signed by the customer requesting backup service through the Premier Power Service rate schedule.	7.270 - 7.272 3
SPV	Standard Interconnection agreement for Small Photovoltaic Systems.	7.280 - 7.282
<u>NMRG - Tier 1</u>	<u>Standard Interconnection Agreement for Tier 1 Customer Owned Renewable Generation</u>	<u>7.310 - 7.313</u>
<u>NMRG - Tier 2</u>	<u>Standard Interconnection Agreement for Tier 2 Customer Owned Renewable Generation</u>	<u>7.320 - 7.323</u>
<u>NMRG - Tier 3</u>	<u>Standard Interconnection Agreement for Tier 3 Customer Owned Renewable Generation</u>	<u>7.330 - 7.333</u>

RESERVED FOR FUTURE USE**~~PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR SMALL PHOTOVOLTAIC SYSTEMS~~**

~~THIS AGREEMENT is made this _____ day of _____, _____, by and between _____ (hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called the Company).~~

~~WITNESSETH:~~

~~WHEREAS, the Customer has made a request to interconnect its Small Photovoltaic System (SPS), 10 kilowatts or less, with the Company's electric supply grid at the Customer's presently metered location.~~

~~NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:~~

- ~~1. The Customer certifies that the SPS hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct.~~
- ~~2. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the SPS equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.~~
- ~~3. The Customer shall maintain general liability insurance for personal injury and property damage in the amount of not less than one hundred thousand dollars (\$100,000). The Customer shall provide initial proof of insurance in the form of a certificate attached to this Agreement evidencing the Customer's insurance coverage in effect at the time of interconnection. The certificate shall list the SPS as a covered addition to the Customer's insured property. The Customer shall submit similar proof of continuing insurance coverage within 30 days of any policy renewal.~~
- ~~4. The Company may open the SPS disconnect switch, and thereby isolate the SPS, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The switch will be re-closed as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the switch to be opened are:
 - ~~(a) Company utility system emergencies or maintenance requirements.~~
 - ~~(b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's SPS generation or protective equipment as determined by the Company.~~
 - ~~(c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the SPS as determined by the Company.~~
 - ~~(d) Failure of the Customer to maintain the required insurance for the duration of this Agreement.~~~~
- ~~5. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the SPS by Customer, except to the extent such loss is caused by the negligent action of the Company.~~
- ~~6. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's SPS. Specifically, any company inspection of the SPS shall not be construed as confirming or endorsing the SPS design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the SPS equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any SPS equipment or procedure.~~

RESERVED FOR FUTURE USE

Page 2 of 3

7. ~~The Customer shall pay to the Company a non-refundable fee of \$95.00 for processing the attached Application and Compliance Form and this Agreement.~~
8. ~~The Company may install an additional meter or metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the SPS and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this second meter shall be borne by the Company. The value of such excess generation shall be credited to the Customer's bill based on the Company's COG-1 tariff, or by other applicable tariffs approved by the Florida Public Service Commission.~~
- If the Company does not install such additional meter or metering equipment, any excess power delivered to the Company's electric system shall be measured by use of a single standard watt-hour meter capable of reversing directions to offset recorded consumption by the Customer. If the kilowatt hours of energy produced by the SPS exceeds the Customer's kilowatt hour consumption for any billing period, such that when the meter is read the value displayed on the register is less than the value displayed on the register when it was read at the end of the previous billing period, the Company shall carry forward credit for the excess energy to the next billing period. Credits may accumulate and be carried forward for a maximum of 11 consecutive monthly billing periods following the billing month in which the credit first occurred. If at the conclusion of such 11 monthly billing periods a credit balance still exists, the remaining credit shall be removed from the bill and the Customer shall receive no payment for the related excess energy.
9. ~~Prior to connection and parallel operation of the SPS with the Company's electric system, the Customer shall permit the Company, if it should so choose, to inspect the SPS and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's SPS equipment and protective apparatus, including verification of the proper operation of the SPS disconnect switch.~~
10. ~~On termination of services pursuant to this Agreement, the Company shall open and padlock the manual disconnect switch and remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the SPS and any associated equipment from the Company's electric supply system, notify the Company that the isolation is complete, and coordinate with the Company for return of the Company's lock.~~
11. ~~The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements and paying the applicable processing charge.~~
12. ~~In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.~~
13. ~~This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.~~

~~The Company's Tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.~~

~~IN WITNESS WHEREOF, the Customer and the Company have executed this Agreement in triplicate the day and year first written above.~~

_____	_____
CUSTOMER	COMPANY
_____	_____
signature of Customer or authorized representative	signature of authorized representative
_____	_____
title of authorized representative	title of authorized representative

**RESERVED FOR FUTURE USE
 PROGRESS ENERGY FLORIDA, INC.**

**INTERCONNECTION OF SMALL PHOTOVOLTAIC SYSTEM
 TO PROGRESS ENERGY FLORIDA INC. ELECTRIC GRID**

APPLICATION AND COMPLIANCE FORM

A. Applicant Information

Name: _____ PEFI Account No.: _____
 Mailing Address: _____
 City: _____ Zip Code: _____
 Street Address (if different): _____
 Daytime Phone: _____ Fax: _____ Email: _____

B. Photovoltaic System Information

System Name/Model: _____ Array DC Power at STC _____ watts
 List Manufacturer/Model for:
 Modules: _____ Inverter: _____ Batteries (if applicable): _____
 Array Location: _____ Inverter Location: _____
 AC Disconnect Location: _____ Permission to Monitor? Yes No

C. Installation Contractor Information

Installation Contractor: _____, FL License No.: _____
 Address: _____
 City: _____, Zip Code: _____
 Daytime Phone: _____ Fax: _____ Email: _____
 Proposed Installation Date: _____

D. Hardware and Installation Compliance

- The system hardware is in compliance with Underwriters Laboratories (UL) 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Systems, and UL 1703, Standard for Safety: Flat Plate Photovoltaic Modules and Panels, and IEEE 1262-1995, IEEE Recommended Practice for Qualification of Photovoltaic (PV) Modules.
- The system has been installed in compliance with IEEE Standard 929, Recommended Practice for Utility Interface of Photovoltaic Systems and the 1999 National Electrical Code®.

Signed (Contractor): _____ Date: _____
 Name (Print): _____ Company: _____

E. Owner Acknowledgment

The system has been installed to my satisfaction and I have been given system warranty information, and an operation manual. Also, I have been thoroughly instructed in the operation and maintenance of the system.

Signed (Owner): _____ Date: _____

F. Electrical Code Inspection

Satisfies Code Requirements
 Inspector Name (Print): _____
 Inspector Signature: _____ Date: _____

G. Progress Energy Florida, Inc. Approval

Satisfies PEFI Interconnection Requirements
 PEFI Representative Name (Print): _____ Phone: _____
 PEFI Representative Signature: _____ Date: _____

Exhibit B

Original Tariff Sheet Nos.
4.085, 7.310-7.313, 7.320-7.323 and 7.330-7.333

Modified Tariff Sheet Nos.
4.000-4.001, 4.020, 7.000 and 7.280-7.282

(Clean Copy)

PART VIII

BILLING
(Continued)**8.08 Net Metering for Customer-Owned Renewable Generation**

For customers with renewable generation equipment that have executed an interconnection agreement with the Company whose customer-owned renewable generation is eligible for net metering as defined by FPSC rule 25-6.065, monthly billing will be prepared in the following manner:

- (1) At no additional cost to the customer, metering equipment will be installed by the Company capable of measuring the difference between the electricity supplied to the customer from the Company and the electricity generated by the customer and delivered to the Company's electric grid.
- (2) Meter readings will be taken monthly on the same cycle as required under the otherwise applicable rate schedule in accordance with normal billing practices.
- (3) The Company will charge the customer for energy used by the customer in excess of the generation supplied by customer-owned renewable generation for the entire billing cycle in accordance with the otherwise applicable rate schedule.
- (4) During any billing cycle, excess customer-owned renewable generation delivered to the Company's electric grid will be credited to the customer's energy consumption for the next month's billing cycle.
- (5) Regardless of whether excess energy is delivered to the Company's electric grid, the customer will be required to pay the greater of
 - i. the minimum charge as stated in their otherwise applicable rate schedule, or
 - ii. the applicable monthly customer charge plus the applicable demand charge for the monthly maximum 30-minute demand measured on the company's usage meter during the billing period in accordance with the otherwise applicable rate schedule
- (6) For customers whose otherwise applicable rate schedule is a time of use (TOU) rate, the generation supplied by customer-owned renewable generation to the Company will be measured by the distinct TOU periods of that rate schedule and offset customer usage in the current month or subsequent periods using the distinct TOU periods of that rate schedule.
- (7) Energy credits produced pursuant to section 4 above will accumulate and be used to offset the customer's energy usage in subsequent months for a period of not more than twelve months. After the end of each calendar year, the Company will credit the customer (on the February bill) for any unused energy credits at an average annual rate based on the COG-1, as-available energy tariff.
- (8) Excess energy consumption will be applied only to the service provided at the location of the renewable generation system and will not be applied to other locations or services at the same location that the customer may take from the Company.
- (9) When a customer leaves the Company's system, unused credits for excess kWh generated will be credited to the customer at an average annual rate based on the COG-1, as-available energy tariff.
- (10) The customer may, at their sole discretion, choose to take service under the Company's standby or supplemental service rate, if available. When a customer elects to take service under a standby or supplemental tariff, any excess consumption credited from prior periods in accordance with provision number 4 above, will be considered supplemental energy for billing purposes.

**PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR TIER 1 CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS (10kw or less)**

THIS AGREEMENT is made this _____ day of _____, _____, by and between _____ (hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called the Company).

WITNESSETH:

WHEREAS, the Customer has made a request to interconnect its renewable generation Tier 1 system(s), 10 kilowatts or less in total, which is primarily intended to offset part or all of the customer's electricity requirements, with the Company's electric supply grid at the Customer's presently metered location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:

General Responsibilities of Both Parties:

1. The Customer certifies that the system's hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct. The Customer shall notify the Company in writing of any changes to its system.
2. The Customer shall not be required to pay any application fee for this Tier 1 Customer-owned renewable generation system interconnection.
3. In order to commence the process for interconnection, the Customer shall provide the Company a completed application. Applications can be downloaded from the Company's website: www.progress-energy.com
4. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
5. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards of IEEE 1547, IEEE 1547.1 and UL 1741.
6. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to item 5 listed above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid in the event the electric grid loses power.
7. The Customer agrees to provide Local Building Code Official inspection and certification of installation. The certification shall reflect that the local code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
8. The Company recommends that the Customer maintain general liability insurance for personal injury and property damage in the amount of not less than one hundred thousand dollars (\$100,000).
9. The total capacity of the Customer generation system(s) does not exceed 90% of the rating of service currently provided to the customer (based on service size, transformer rating, etc.) and has a total gross power rating of 10kw or less.

10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
15. In the event the Company elects to install a manual disconnect switch, it shall be at the Company's expense. The Company installed disconnect switch shall be the visible load break type to provide a separation point between the AC power output of the Customer-owned renewable generator and any Customer wiring connected to the Company's system. The disconnect switch shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going Compliance:

17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.

Modifications/Additions to Customer-owned Renewable Generation:

18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty days prior to making the modification.
19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
20. In the event any Customer modifications or additions result in the input to any Company meter so as to qualify as a Tier 2 or Tier 3 system, then all terms and condition, including appropriate notice, of the Interconnection Agreement for Tier 2 or Tier 3 systems shall apply.
21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.

29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted there under and return it to the Company at least thirty calendar days prior to beginning parallel operations.
30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.
31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.
32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

CUSTOMER

Signature of Customer or Authorized Representative

Title of Authorized Representative

**PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR TIER 2 CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS (>10kw, <= 100kw)**

THIS AGREEMENT is made this ____ day of _____, _____, by and between _____ (hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called the Company).

WITNESSETH:

WHEREAS, the Customer has made a request to interconnect its renewable generation Tier 2 system(s), more than 10 kilowatts or less than or equal to 100 kilowatts in total, which is primarily intended to offset part or all of the customer's electricity requirements, with the Company's electric supply grid at the Customer's presently metered location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:

General Responsibilities of Both Parties:

1. The Customer certifies that the system's hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct. The Customer shall notify the Company in writing of any changes to its system.
2. The Customer shall pay an application fee of \$240 for this Tier 2 Customer-owned renewable generation system interconnection.
3. In order to commence the process for interconnection, the Customer shall provide the Company a completed application. Applications can be downloaded from the Company's website: www.progress-energy.com
4. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
5. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards of IEEE 1547, IEEE 1547.1 and UL 1741.
6. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to item 5 listed above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid in the event the electric grid loses power.
7. The Customer agrees to provide Local Building Code Official inspection and certification of installation. The certification shall reflect that the local code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
8. The Company requires that the Customer maintain general liability insurance for personal injury and property damage in the amount of not less than one million dollars (\$1,000,000).
9. The total capacity of the Customer generation system(s) does not exceed 90% of the rating of service currently provided to the customer (based on service size, transformer rating, etc.) and has a total gross power rating of 10kw or less.

10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
15. The Customer must install a manual AC load break disconnect switch at their expense which shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going Compliance:

17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.

Modifications/Additions to Customer-owned Renewable Generation:

18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty days prior to making the modification.

19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
20. In the event any Customer modifications or additions result in the input to any Company meter so as to qualify as a Tier 3 system, then all terms and condition, including appropriate notice, of the Interconnection Agreement for Tier 3 systems shall apply.
21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.
29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted there under and return it to the Company at least thirty calendar days prior to beginning parallel operations.
30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.
31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.

32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

CUSTOMER

COMPANY

Signature of Customer or Authorized Representative

Signature of Company Representative

Title of Authorized Representative

Title of Company Representative

**PROGRESS ENERGY FLORIDA, INC.
STANDARD INTERCONNECTION AGREEMENT
FOR TIER 3 CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS (>100kw, <= 2mw)**

THIS AGREEMENT is made this _____ day of _____, _____, by and between _____ (hereinafter called the Customer), located at the address shown in the attached Application and Compliance Form, and Progress Energy Florida, Inc., a corporation organized and existing under the laws of the State of Florida (hereinafter called the Company).

WITNESSETH:

WHEREAS, the Customer has made a request to interconnect its renewable generation Tier 3 system(s), more than 100 kilowatts or less than or equal to 2 megawatts in total, which is primarily intended to offset part or all of the customer's electricity requirements, with the Company's electric supply grid at the Customer's presently metered location.

NOW, THEREFORE, in consideration of the mutual covenants and agreements expressed herein, the Company and the Customer agree as follows:

General Responsibilities of Both Parties:

1. The Customer certifies that the system's hardware and its installation, operation and maintenance is in compliance and shall continue to comply with the applicable standards, codes and manufacturer's instructions set forth in the Application and Compliance Form attached hereto and incorporated herein, and that all other information therein provided by the Customer is true and correct. The Customer shall notify the Company in writing of any changes to its system.
2. The Customer shall pay an application fee of \$750 for this Tier 3 Customer-owned renewable generation system interconnection.
3. In order to commence the process for interconnection, the Customer shall provide the Company a completed application. Applications can be downloaded from the Company's website: www.progress-energy.com
4. The Customer is responsible for the protection of its generation equipment, inverters, protection devices, and other system components from damage from the normal and abnormal operations that occur on the Company's utility system in delivering and restoring system power; and is responsible for insuring that the equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.
5. Customer-owned renewable generation shall be considered certified for interconnected operation if it has been submitted by a manufacturer to a nationally recognized testing and certification laboratory, and has been tested and listed by the laboratory for continuous interactive operation with an electric distribution system in compliance with the applicable codes and standards of IEEE 1547, IEEE 1547.1 and UL 1741.
6. Customer-owned renewable generation shall include a utility-interactive inverter, or other device certified pursuant to item 5 listed above, that performs the function of automatically isolating the Customer-owned generation equipment from the electric grid in the event the electric grid loses power.
7. The Customer agrees to provide Local Building Code Official inspection and certification of installation. The certification shall reflect that the local code official has inspected and certified that the installation was permitted, has been approved, and has met all electrical and mechanical qualifications.
8. The Company requires that the Customer maintain general liability insurance for personal injury and property damage in the amount of not less than two million dollars (\$2,000,000).
9. The total capacity of the Customer generation system(s) does not exceed 90% of the rating of service currently provided to the customer (based on service size, transformer rating, etc.) and has a total gross power rating of 10kw or less.



10. The Company may isolate the Customer's system from the distribution grid by whatever means necessary, without prior notice to the Customer. To the extent practical, however, prior notice shall be given. The system will be reconnected as soon as practical once the conditions causing the disconnection cease to exist. Typical conditions which may require the disconnection of the Customer's system are:
 - (a) Company utility system emergencies or maintenance requirements.
 - (b) Hazardous conditions existing on the Company's utility system due to the operation of the Customer's generation or protective equipment as determined by the Company.
 - (c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the company's other electric consumers caused by the Customer's generation as determined by the Company.
11. The Customer shall defend, protect, indemnify and hold harmless the Company (including reimbursement of all attorney's fees) from and against any and all losses, damages, costs, expenses, claims, causes of action, lawsuits and liabilities arising out of or relating in any way to the operation of the Customer's generation system, except to the extent such loss is caused by the negligent action of the Company.
12. Prior to connection and parallel operation of the Customer's generation system with the Company's electric system, the Customer shall provide 10 days notice and permit the Company, if it should so choose, to inspect the system and its component equipment and the documents necessary to insure compliance with various sections of this Agreement and to witness the initial testing of the Customer's generation system equipment and protective apparatus.
13. In no event shall any statement, representation, or lack thereof, either express or implied, by the Company, relieve the Customer of exclusive responsibility for the Customer's generation system. Specifically, any company inspection of the Customer's system shall not be construed as confirming or endorsing the Customer's system design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Customer's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any of the Customer's equipment or procedures.
14. The Company will install metering equipment on the Customer's premises capable of measuring any excess kilowatt-hours produced by the Customer's system and delivered to the Company's electric system. The cost of the meter, installation, maintenance, and any costs of reading and billing associated with this meter equipment shall be borne by the Company. The value of such excess generation shall be reflected on the Customer's bill based on the Company's applicable net metering for customer-owned renewable generation tariff approved by the Florida Public Service Commission.
15. The Customer must install a manual AC load break disconnect switch at their expense which shall be mounted separate from, but adjacent to the Company's meter socket. The Customer shall ensure that such disconnect switch shall remain readily accessible to the Company and be capable of being locked in the open position with a single Company utility lock.
16. On termination of services pursuant to this Agreement, the Company shall remove any additional metering equipment related to this Agreement. At the Customer's expense, within 10 working days following the termination, the Customer shall permanently isolate the generation system and any associated equipment from the Company's electric supply system, and notify the Company that the isolation is complete.

Inspection and On-going Compliance:

17. The Company will provide the Customer with as much notice as reasonably possible, either in writing, e-mail, facsimile or by phone as to when the Company may conduct inspections and/or document review. Upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Company shall have access to the Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed by this Interconnection Agreement or, if necessary, to meet the Company's legal obligation to provide service to its Customers.

Modifications/Additions to Customer-owned Renewable Generation:

18. If the Customer-owned renewable generation system is subsequently modified in order to increase its Gross power rating, the Customer must notify the Company by submitting a new application specifying the modification at least thirty days prior to making the modification.

19. If the Customer adds another Customer-owned renewable generator system which i.) utilizes the same utility inter-active inverter for both systems; or ii.) utilizes a separate utility inter-active inverter for each system the Customer shall provide sixty days notice prior to installation.
20. In the event any Customer modifications or additions result in the input to any Company meter so as to exceed the limits of a Tier 3 system (capacity of more than 2 megawatts), then all terms and conditions of the net metering tariff no longer apply and the customer will be required to enter an agreement to sell all power to the Company at the As-Available and COG-1 tariff or the Standard Offer and COG-2 tariff.
21. The Interconnection Agreement which applies in instances described in sections 18-20 above shall be determined by the maximum output of the generation system(s) which is connected to the Company's meter. In all instances described in this section, the Customer shall submit a new application to the Company and shall enter into a new Interconnection Agreement.

Renewable Energy Credits:

22. The Customer shall retain any Renewable Energy Certificates produced by the Customer-owned renewable generation equipment; and any additional meters necessary for measuring the total renewable electricity generated for the purposes of receiving Renewable Energy Certificates shall be installed at the Customer's expense, unless otherwise determined during negotiations for the sale of the Customer's Renewable Energy Certificates to the Company.

Lease Agreements:

23. The Customer shall provide the Company a copy of the lease agreement, as applicable, for any and all leased interconnection equipment.
24. The Customer shall not enter into any lease agreement that results in the retail sale of electricity. Notwithstanding this restriction, in the event the Customer so enters such an agreement, the Customer now becomes subject to the Florida Public Service Commission's jurisdiction and may be subject to various fines and penalties.

Assignment:

25. The Customer shall not have the right to assign its benefits or obligations under this Agreement without the Company's prior written consent and such consent shall not be unreasonably withheld. The Company may require the assignee to sign a new copy of this Agreement, agreeing to all its requirements. The Customer shall notify the Company in writing prior to any such anticipated assignment.
26. An assignee to this Interconnection Agreement shall have the same rights, responsibilities and obligations as the assigning Party.

Entire Agreement:

27. In executing this Agreement, the Company does not, nor should it be construed to extend its credit or financial support for the benefit or any third parties lending money to or having other transactions with Customer or any assignee of this Agreement.
28. Disputes between the Parties shall be handled in accordance with subsection 11 of Florida Public Service Commission Rule 25-6.065 F.A.C. – Interconnection and Net Metering of Customer-owned Renewable Generation.
29. The Customer must execute this Interconnection Agreement and the Customer's subsequent application submitted there under and return it to the Company at least thirty calendar days prior to beginning parallel operations.
30. This Agreement shall be governed by and construed and enforced in accordance with the laws, rules and regulations of the State of Florida and the Company's Tariff as may be modified, changed, or amended from time to time.

31. The Company's tariff and associated technical terms and abbreviations, general rules and regulations and standard electric service requirements, as may be applicable, are incorporated by reference.
32. This Interconnection Agreement supersedes all previous agreements or representations, either written or oral, heretofore in effect between the Company and the Customer, made in respect to matters herein contained, and when duly executed, this Interconnection Agreement constitutes the entire agreement between Parties hereto.

IN WITNESS WHEREOF, the Customer has executed this Agreement the day and year first written above.

CUSTOMER

COMPANY

Signature of Customer or Authorized Representative

Signature of Company Representative

Title of Authorized Representative

Title of Company Representative

**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE****INDEX**

	<u>SHEET NO.</u>
Introduction	4.005
I. Definitions and Classifications	4.010
1.01 Definitions	
1.02 Service Classifications	
1.03 Rate Applications	
II. Availability and Establishment of Service	4.020
2.01 Application for Service	
2.02 Service Available	
2.03 Temporary Service	
2.04 Auxiliary Service	
2.05 Premium Distribution Service	
III. Contribution in Aid of Construction	4.030
3.01 Contribution in Aid of Construction for the Installation of New or Upgraded Facilities	
3.02 Route and Easement	
3.03 Installation by Customer	
3.04 Special Service Requirements	
3.05 Rework or Relocation of Existing Facilities	
IV. Terms and Conditions of Service	4.040
4.01 Service Connection	
4.02 Access to Customer Premises	
4.03 Protection of Company Equipment	
4.04 Continuity of Service	
4.05 Indemnification by Customer	
V. Meters	4.050
5.01 Installation and Maintenance of Meters	
5.02 Meter Seals	
5.03 Testing of Meters	
5.04 Tampering with Meters	
5.05 Provisions for Energy Pulse Data	
VI. Customer Utilization Equipment	4.060
6.01 General Principles	
6.02 Protecting Customer Installation	
6.03 Limitations on Customer's Installation	
6.04 Change in Customer's Installation	
6.05 Limiting Connected Load	
6.06 Accidental Grounds	
VII. Guarantee Deposits	4.070
7.01 Deposit Requirement	
7.02 Refund of Deposit	
7.03 New or Additional Deposit	
7.04 Interest on Deposit	

(Continued On Next Sheet)

**GENERAL RULES AND REGULATIONS
GOVERNING ELECTRIC SERVICE****INDEX**

	<u>SHEET NO.</u>
VIII. Billing	4.080
8.01 Billing Period	
8.02 Prorated Monthly Bills	
8.03 Measurement and Evidence of Consumption	
8.04 Delinquent Bills	
8.05 Vacating or Change of Occupancy	
8.06 Service Charges	
8.07 Adjustment of Bills	
8.08 Net Metering for Customer-Owned Renewable Generation	
IX. Limitations of Service	4.090
9.01 Confinement of Customer's Use	
9.02 Resales Prohibited	
9.03 Sub-Metering	
9.04 Crossing Public Ways Prohibited - Exception	
9.05 Attachments to Poles Prohibited	
X. Discontinuance and Withholding of Service	4.100
10.01 Grounds for Discontinuance or Withholding of Service	
10.02 Notice of Discontinuance	
10.03 Medically Essential Service	
10.04 Liability for Discontinuance	
10.05 Reconnection	
10.06 Customer's Deposit	
XI. Underground Residential Distribution Policy	4.110
11.01 Definitions	
11.02 General	
11.03 Underground Distribution Facilities for Residential Subdivision and Developments	
11.04 Underground Service Laterals from Overhead Electric Distribution Systems	
11.05 Underground Service Laterals Replacing Existing Residential Overhead Services	
11.06 Underground Distribution Facilities to Multiple-Occupancy Residential Buildings	
XII. Charges For Conversion of Existing Overhead to Underground Electric Distribution Facilities	4.120
12.01 Definitions	
12.02 General	
12.03 Installations not Covered	
12.04 Cost Estimate Fees	
12.05 Construction Contract	
12.06 Local Governmental Underground Cost Recovery	

Appendix: Requirements for Electric Service and Meter Installations

PART II**AVAILABILITY AND ESTABLISHMENT OF SERVICE****2.01 Application for Service:**

Information may be obtained at the nearest Company office as to the availability of service at the location where it is desired, and application for such service should be made by the Customer at such office at the earliest possible time so that details for furnishing service may be determined. Unless otherwise agreed in writing by the Company, and except as provided in Part III hereof, applications will be accepted only upon the condition that the Company shall be under no obligation to render service other than that character of service then available at the proposed Point of Delivery. Any such application or agreement shall be subject to all the provisions of these Rules and Regulations and of the Rate Schedules, and the terms and conditions thereof shall be binding upon the Company as well as upon the Customer. In order to insure that capacity is available in Company equipment to provide satisfactory service to the Customer, load data must be submitted with the application for service. Load data should include the anticipated Connected Load and the anticipated Maximum Demand.

2.02 Service Available:

Technical specifications for type and location of service are provided in the "Requirements for Electric Service and Meter Installations" contained in the Appendix.

2.03 Temporary Service:

The Company will, where it has a source of supply readily available, furnish service for temporary installations as provided for in the Company's Rate Schedule TS-1.

2.04 Auxiliary Service:

Auxiliary service is electric service provided to customers in lieu of that which might otherwise be provided by customer-owned generation for which the customer is not otherwise required to take service under the Company's Standby Service tariff. Auxiliary service is available and will be supplied by the Company under the applicable rate schedule. Parallel interconnected operation of customer-owned generation equipment is permissible only if the customer has executed a standard interconnection agreement with the Company in accordance with the Company's filed contract forms. In the absence of an executed interconnection agreement for parallel operation, the customer's facilities shall be so installed and maintained as to prevent operation of his power sources in parallel with those of the Company.

2.05 Premium Distribution Service:

Upon request by a Customer, the Company will install facilities capable of providing automatic delivery transfer to an alternate distribution circuit in the event of an outage of the principal distribution circuit. The Customer shall pay a monthly amount for such facilities in accordance with the specified rate for additional equipment contained in the applicable general service rate schedule under which service is provided.

The Company will determine the alternate circuit for Premium Distribution Service on the basis of the most economic and feasible circuit deemed available by the Company. If the Customer is desirous of a particular alternate circuit other than that deemed by the Company, the Company will give consideration to such request but shall not be required to establish such desired circuit as the alternate circuit. Where construction is necessary to extend the selected alternate circuit to an interconnection point with service on the Customer's property, the Customer shall pay this cost fully as a Contribution-in-Aid-of-Construction to the Company.

The Customer shall also be subject to an additional Monthly Demand Charge for Premium Distribution Service as stated in the applicable general service rate schedule.

INDEX OF STANDARD CONTRACT AND OTHER AGREEMENT FORMS

FORM NO	DESCRIPTION	SHEET NO.
Form No. 1	Contract, Form No. 1 (after 11/21/98, applicable only to a Customer who requires this type form be executed for service under Rate Schedule LS-1, Lighting Service. Form No. LS-1HPS shall normally be used for application for service under LS-1).	7.010 - 7.011
Form No. 2	Contract Form No. 2 (applicable when service is provided under Company General Service Rate Schedules and special contract terms or investments in special facilities are required and furnished by the Company to provide service to the Customer).	7.020 - 7.021
IS-2 DISC	Interruptible General Service Rate Schedules IS-2 and IST-2 Risk Disclosure	7.025
CS-2 D1SC	Curtailable General Service Rate Schedule CS-2 and CST-2 Risk Disclosure	7.027
Form No. 5	Contract, Form No. 5 (applicable when a contract is made between the Company and the Customer to cover advances by the Customer for construction).	7.030
DVLP DIST	Agreement for Electric Service Between Progress Energy Corporation (the "Utility") and _____ (the "Applicant") (applicable when a developer requests the Company to install a distribution system for a new development).	7.050
PEFI LSA	Leave Service Active Agreement (applicable to Customers who wish service to be left active on rental units, regardless if they are occupied or not).	7.070 - 7.071
3RD PRT	Request for Third Party Notification (applicable to Customers who request the Company to notify another person that their bill is overdue).	7.090
LS-1	Lighting Service Contract.	7.110 - 7.113
PEFI TOU	Application for TOU Rate (applicable to Customers requesting time of use rates).	7.120
PEFI GSLM	Rate Schedule GSLM-1 Customer Agreement (applicable to Customers requesting General Service Load Management).	7.150
MSTR MTR	Standard Letter Agreement (applicable to master metered Customers indicating understanding of rules and regulations affecting resale of electricity).	7.160
EQP RNTL	Standard Letter Agreement (applicable to Customers who request additional facilities at their service location).	7.170
GUAR CNTR	Guarantee Contract (applicable when a third party guarantees payment for another individual's billing).	7.180
STRT LTS	Agreement to Purchase and Sell Street Lighting System and to Furnish and Receive Electric Service	7.190 - 7.192
RES DEP	Residential Deposit Release - Releases current customer's deposit to new customer who then assumes responsibility for all payments of account.	7.220 - 7.221
PWR PAY	Power Pay - Customers bill is automatically paid from their checking account.	7.230
CISR	Contract Service Arrangement for service under the Commercial/Industrial Service Rider.	7.250 - 7.253
PPS	Premier Power Service - Contract signed by the customer requesting backup service through the Premier Power Service rate schedule.	7.270 - 7.273
NMRG - Tier 1	Standard Interconnection Agreement for Tier 1 Customer Owned Renewable Generation	7.310 - 7.313
NMRG - Tier 2	Standard Interconnection Agreement for Tier 2 Customer Owned Renewable Generation	7.320 - 7.323
NMRG - Tier 3	Standard Interconnection Agreement for Tier 3 Customer Owned Renewable Generation	7.330 - 7.333

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

Exhibit C

Application Form

**PROGRESS ENERGY FLORIDA, INC.
 INTERCONNECTION OF CUSTOMER-OWNED RENEWABLE GENERATION SYSTEMS
 TO PROGRESS ENERGY FLORIDA INC. ELECTRIC GRID
 APPLICATION AND COMPLIANCE FORM**

A. Applicant Information	
Name: _____	PEFI Account No.: _____
Mailing Address: _____	
City: _____	Zip Code: _____
Street Address (if different): _____	
Daytime Phone: _____	Fax: _____ Email: _____
B. System Information	
System 1 Information (please check): Wind ___ Solar ___ Other (please state type) _____	
System Name/Model: _____	System Capacity: _____ watts
List Manufacturer/Model for: _____	
Generator/modules: _____	Inverter: _____ Batteries (if applicable): _____
System Location: _____	Inverter Location: _____
Permission to monitor? <input type="checkbox"/> Yes <input type="checkbox"/> No	
System 2 Information (please check): Wind ___ Solar ___ Other (please state type) _____	
System Name/Model: _____	System Capacity: _____ watts
List Manufacturer/Model for: _____	
Generator/modules: _____	Inverter: _____ Batteries (if applicable): _____
System Location: _____	Inverter Location: _____
Permission to monitor? <input type="checkbox"/> Yes <input type="checkbox"/> No	
C. Installation Contractor Information	
Installation Contractor: _____	FL License No.: _____
Address: _____	
City: _____	Zip Code: _____
Daytime Phone: _____	Fax: _____ Email: _____
Proposed Installation Date: _____	
D. Hardware and Installation Compliance	
1. The system hardware is in compliance with <i>Underwriters Laboratories (UL) 1741, and IEEE 1547 standards for utility interconnected inverters.</i>	
Signed (Contractor): _____	Date: _____
Name (Print): _____	Company: _____
E. Owner Acknowledgment	
The system has been installed to my satisfaction and I have been given system warranty information, and an operation manual. Also, I have been thoroughly instructed in the operation and maintenance of the system.	
Signed (Owner): _____	Date: _____
F. Electrical Code Inspection	
Satisfies Code Requirements	
Inspector Name (Print): _____	Date: _____
Inspector Signature: _____	Date: _____
G. Progress Energy Florida, Inc. Approval	
Satisfies PEFI Interconnection Requirements	
PEFI Representative Name (Print): _____	Phone: _____
PEFI Representative Signature: _____	Date: _____

Exhibit D

Cost Support

Progress Energy Florida
 FPSC Rule 25-6.065
 Cost Support for Tier 2 Interconnection Standard Application Fee

Line	Task Description		Units	Rate	Subtotal Costs	Total Costs
1	Administrative Labor	Hours	0.50	\$ 14.90	\$ 7.45	
3	Engineering	Hours	3.00	\$ 29.50	88.50	
4	Service Planner	Hours	1.00	\$ 29.50	29.50	
5	Subtotal Labor before Loading					\$ 125.45
6	Payroll Loading (Line 5 * Line 6)	Rate		54.27%		68.08
7	Total Labor					193.53
8	Transportation	Hours	1.00	\$ 11.30	11.30	
9	Materials	Less Salvage			None	
10	Total Charges before Overhead					204.83
11	Overhead @ 15% (Line 10 * 15%)			15.00%		30.72
12	Total Cost of Providing Service					\$ 235.56
					Proposed Fee:	\$ 240.00

Progress Energy Florida
 FPSC Rule 25-6.065
 Cost Support for Tier 3 Interconnection Standard Application Fee

Line	Task Description		Units	Rate	Subtotal Costs	Total Costs
1	Administrative Labor	Hours	1.00	\$ 14.90	\$ 14.90	
3	Engineering	Hours	10.00	\$ 29.50	295.00	
4	Service Planner	Hours	3.00	\$ 29.50	88.50	
5	Subtotal Labor before Loading					\$ 398.40
6	Payroll Loading (Line 5 * Line 6)	Rate		54.27%		216.21
7	Total Labor					614.61
8	Transportation	Hours	3.00	\$ 11.30	33.90	
9	Materials	Less Salvage			None	
10	Total Charges before Overhead					648.51
11	Overhead @ 15% (Line 10 * 15%)			15.00%		97.28
12	Total Cost of Providing Service					\$ 745.79
					Proposed Fee:	\$ 750.00