

NET METERING AGREEMENT

This AGREEMENT, dated as of _____, 20__ (“Agreement”) between **ROCKLAND ELECTRIC COMPANY**, a New Jersey corporation with offices at 82 East Allendale Avenue, Saddle River, New Jersey 07548 (“Company”) and _____ (“Customer”) who resides at or operates a commercial facility at _____ (“Premises”). The Company and Customer are from time to time jointly referred to in this Agreement collectively as the “Parties” and individually as “Party.”

WITNESSETH

WHEREAS, the New Jersey Board of Public Utilities (“Board”) requires the Company to interconnect customer-generator facilities that generate class 1 renewable energy, as that term is defined by N.J.A.C. 14:4-9.2, in order to allow for net metering for residential and small commercial customers that operate such customer-generator facilities; and

WHEREAS, Customer is a residential or small commercial customer of the Company who has installed at the Premises a customer-generator facility that generates class 1 renewable energy; and

WHEREAS, Customer wishes to make arrangements for the net metering of the Customer’s customer-generator facility;

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth and for other good and valuable consideration, the Parties agree as follows:

1. Incorporation by Reference

A. This Agreement incorporates by reference and hereby makes a part hereof all applicable terms and conditions of the Company’s Schedule for Electricity Service, P.U.C. No. 2 - Electricity (“Tariff”) and N.J.A.C. 14:4-9 “Net Metering and Interconnection Standards for Class 1 Renewable Energy Systems”, as the same may be modified or superseded from time to time.

B. To the extent there is any conflict between the terms and conditions of this Agreement and the Tariff, the terms and conditions of this Agreement will take precedence and govern those of the Tariff.

2. Term

A. This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated by the Parties.

3. Customer Obligations

A. Customer shall install and maintain at the Premises the customer-generator facility ("System"), which at all times will have a rated capacity of not more than the lesser of the capacity specified by the Customer in the Net Metering Application (attached) or the current peak electric demand of the Premises. The System shall be manufactured, installed, operated and maintained in accordance with N.J.A.C. 14:4-9, as well as all manufacturers' specifications and applicable government and industry standards. If the application was for a Level 3 interconnection review then the Company's applicable "Interconnection Standards for Parallel Operation of Small-Size Generating Facilities" shall also apply (attached).

B. Customer shall not operate the System in parallel with the Company's electric distribution system until approval is received from the Company. Customer shall be responsible for all costs of designing, engineering, purchasing, installing, maintaining and operating the System.

C. The Customer shall reimburse the Company, prior to the commencement of operation of the System, for all interconnection costs incurred by the Company in providing net metering service to the Customer, pursuant to the provisions of N.J.A.C. 14:4-9.

D. The Customer will provide the Company with an emergency 24-hour telephone contact so operating instructions from the Company can be given to the Customer or any designated operator of the System.

E. The Customer shall advise the Company in writing at least 40 business days before changes are made to the System design or capacity. Depending on the extent of the changes, prior to approving any such changes, the Company reserves the right to require the Customer to submit an updated interconnection application.

4. Company Obligations

A. The Company will review the plans and specifications for the System submitted by the Customer and provide written approval or provide, in writing, changes to such plans and specification which must be made in order to obtain Company approval of the System.

B. The Company will determine its facilities' ability to accept the additional input of power from the System and the point at which the System may be connected to the Company's distribution system.

C. The Company will provide net metering for the System at the Premises in accordance with the terms of the Tariff and N.J.A.C. 14:4-9.

5. Representations and Warranties

A. The Parties represent that they have all requisite authorizations necessary or proper to enter into this Agreement.

B. Customer warrants the title to all energy, capacity, and/or ancillary services produced by the System for which the Company provides a credit or payment. Customer warrants that it will pay and satisfy any and all claims of every nature whatsoever in, to or in respect to the title of energy, capacity, and/or ancillary services delivered hereunder.

C. Customer represents and warrants that, throughout the term of this Agreement, Customer will be in compliance with, or will have acted in good faith and used its best efforts to be in compliance with all laws, judicial and administrative orders, rules and regulations with respect to the ownership and operation of the System including but not limited

to all requirements to obtain and comply with the conditions of any applicable certificates, licenses, permits and governmental approvals.

D. Customer represents, covenants and warrants that the System (i) will be installed and operated in accordance with this Agreement; (ii) will in no event exceed an output equal to the lesser of the capacity specified by Customer in the Net Metering Application (attached) or the current peak electric demand of the Premises; and (iii) will be designed to generate electricity solely for consumption by the Customer at the Premises and sale to the Company or the Customer's electric power supplier.

E. Customer is the owner of the Premises.

6. Regulatory

A. It is understood by both Customer and the Company that this Agreement and performance hereunder is subject to all present and future valid and applicable laws, orders, statutes, and regulations of courts or regulatory bodies (state or federal) having jurisdiction over either party or the Agreement. The rights of the Parties shall not be effective until all regulatory approvals have been obtained.

7. Limitation of Liability and Insurance

A. Neither Party shall be liable for any consequential, incidental, punitive, special, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise. It is the intent of the Parties that the limitations herein imposed on remedies and the measure of damages be without regard to the cause or causes related thereto, including the negligence of any Party, whether such negligence be sole, joint, or concurrent, or active or passive.

B. The Company's review, inspection and testing of the System shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the System. The Company shall not, by reason of such review or failure to review, be responsible for the strength, design detail, adequacy, or capacity of the System.

C. This provision shall survive the expiration or termination of this Agreement.

8. Events of Default

A. Any one or more of the following events shall constitute an Event of Default under this Agreement:

(i) The sale of the Premises by the Customer, unless this Agreement is properly assigned to the purchaser as set forth in Article 11A of this Agreement;

(ii) The proving of any material representation or warranty made herein to have been false or incorrect in any material respect at the time made;

(iii) Customer's construction of any facilities or structures or Customer's engaging in any activities which materially interfere with the rights granted by the Company under this Agreement;

(iv) Failure of Customer to obtain, maintain or comply with any or all permits required for the System; or

(v) Failure of either of the Parties to observe and perform any material covenant, condition, or agreement on its part to be performed.

9. Termination

A. Whenever an Event of Default shall have occurred and be continuing, the non-defaulting Party, to the extent permitted by law, may, upon 30 days prior written notice to the defaulting Party, terminate this Agreement, and thereupon this Agreement shall cease and terminate unless within such 30 day period prior to such termination, all Events of Default hereunder that were the subject of such notice shall have been fully cured, or the defaulting Party has instituted and is diligently pursuing corrective action reasonably sufficient to cure such Default. However, the sale of and transfer of title to the Premises shall constitute immediate termination.

B. No termination of this Agreement shall relieve the defaulting Party of its

liability and obligations hereunder, and the non-defaulting Party may take whatever action at law or in equity as may appear necessary or desirable to enforce performance and observance of any obligations, agreements, or covenants under this Agreement, and the rights given hereunder shall be in addition to all other remedies available to the Parties, either at law, in equity or otherwise, for the breach of this Agreement.

C. Notwithstanding the above, Customer has the right to terminate this Agreement, without cause, if it discontinues the use of the System. In such cases, Customer agrees to reimburse the Company for all costs associated with removing the Company's interconnection facilities.

10. Suspension

A. The Company will notify Customer of the Company's intention to suspend service to Customer as of a date certain ("suspension date") in any instance in which Customer's actions or inactions could, in the Company's sole judgment, affect safety or system reliability. The Company will cease to provide service to Customer on the suspension date.

11. Assignment

A. Customer may not assign, transfer, or otherwise dispose of this Agreement or any of its rights, duties or obligations hereunder, without the prior written consent of the Company, which consent will not be unreasonably withheld. Notwithstanding the foregoing, Customer may assign this Agreement to a subsequent purchaser of the Premises so long as Customer provides the Company with prompt written notice of such assignment.

B. Any assignment, transfer or other disposition of this Agreement, or any rights, duties or obligations hereunder, by Customer, except as specifically permitted herein, will be null and void.

12. Notices

A. Any notice to be given by either Party hereunder will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (i)

delivered by hand, (ii) deposited for next-business day delivery (fee prepaid) with a reputable overnight delivery service such as Federal Express, or (iii) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that Party (or at such other address as that Party may from time to time designate by giving notice thereof).

To Company: Rockland Electric Company
 390 West Route 59
 Spring Valley, NY 10977
 Attention: Distribution Engineering

To Customer:

Attention:

13. Prior Agreements Superseded

A. This Agreement constitutes the entire understanding between the Parties hereto with respect to the subject matter hereof, supersedes any and all previous understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

14. Waiver and Modification

A. No waiver or modification of all or any part of this Agreement will be valid unless in writing and signed by both Parties hereto. Any waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

15. Applicable Law and Forum

A. Interpretation and performance of this Agreement will be in accordance with, and will be controlled by, the laws of the State of New Jersey except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction.

Customer irrevocably consents that any legal action or proceeding arising under or relating to this Agreement will be brought in a court of the State of New Jersey or a federal court of the United States of America located in the State of New Jersey.

16. Agency

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

17. Not for the Benefit of Third Parties

A. This Agreement is for the benefit of the Parties hereto and not for the benefit of third parties.

18. Taxes

A. Each Party will be liable to the appropriate tax authorities for sales, use, gross receipts or other similar or different taxes imposed upon the revenues derived or services rendered by such Party.

19. Petitions and Interventions Not Precluded

A. Nothing in this Agreement shall prevent either the Company or Customer from intervening before the Board, the Federal Energy Regulatory Commission ("FERC") or any other agencies or courts in proceedings which affect, or potentially affect, the sales or services provided by or to either the Company or Customer or the rates, including the terms and conditions of service, for such sales or services. Nothing in this Agreement shall prevent either Party from petitioning any agency having jurisdiction over such sales, services or rates.

20. Set Off

A. In addition to any right of set off provided by law, the Company may deduct any sums or amounts due or to become due from the Company to Customer from any sums or accounts due or to become due from Customer to the Company.

21. Disputes

A. This Agreement is subject to the Board's continuing jurisdiction. Any disputes arising under this Agreement shall first be presented to the Board, and shall be resolved in accordance with the Board's regulations.

22. Article Headings

A. The Article headings and other titles used in this Agreement are for convenience only and shall not affect the construction of any terms of this Agreement.

23. Property Access

A. In addition to any existing easements or rights of way, Customer hereby grants the Company permission to enter the Premises, without notice, when necessary. In

addition, Customer grants the Company permission, where necessary, to trim trees in order to afford proper clearance to System.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

ROCKLAND ELECTRIC COMPANY

BY _____

Title _____

CUSTOMER

BY _____

Title [If Applicable] _____