AVAILABILITY:
Service under this Rider is available to Customers who take service under Rate 1, 2, 3, 10, 20, 30, IS, or a Public Utilities Regulatory Authority ("the Authority") approved special contract, and whose retail electric distribution service is provided by an electric distribution company ("EDC") as defined in Connecticut General Statute §16-1(a)(29) and whose operating distributed generation (DG) unit has been approved by the applicable EDC.

To qualify for service under this Rider, the Customer must be an approved natural gas fired customer-side distributed resource unit as defined in Section 2, Part A of Public Act 05-01, and have added electric capacity on or after January 1, 2006. Only approved DG units are eligible for the EDC Gas Rebate Program under this Rider.

DEFINITIONS:
Customer Side Distributed Resource means (A) the generation of electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system including, but not limited to, fuel cells, photovoltaic systems or small wind turbines, or (B) a reduction in the demand for electricity on the premises of a retail end user in the distribution system through methods of conservation and load management including, but not limited to, peak reduction systems and demand response systems.

Distributed Generation means Customer Side Distributed Resources that meet the part (A) definition above.

TERMS AND CONDITIONS:
The service rendered under this Rider shall be subject to the terms, conditions, and regulations of the firm or interruptible rate to which the Customer would otherwise be subject.

Enrollment in the EDC Gas Rebate Program requires the execution of a three-party agreement among the Customer, the Company, and the EDC. This agreement is attached to this Rider as Exhibit 1. The agreement identifies relevant customer account information and specific program protocols, procedures and responsibilities of each party. In the agreement, the Customer is also responsible for attesting to the eligibility of its DG unit. The agreement also specifies that the Customer remains financially responsible for any costs incurred by the Company to provide service to the DG unit in the event that it terminates service prior to the contractual term date established in the Service Agreement for the DG billing account.

METERING:
1. Each eligible DG unit will be separately metered and a separate billing account will be established.

2. A Daily Demand Meter may be required, in accordance with the Customer's applicable tariff, for all Customers taking service under this Rider.

CHARGES ELIGIBLE FOR REBATE:
For both firm service and interruptible service the Rider DG rebate will be included in the bill rendered for the service period.

Firm Service:
If service is taken under Rate 1, 2, 3, 10, 20 or 30, the following delivery charges as reflected under Monthly Delivery Rate in the applicable tariff will be rebated:

- Customer Service Charge
- Daily Demand Meter Charge (applicable for Rates 3, 10, 20 and 30)
- Delivery Charge per Ccf
- Demand Charge (if applicable)
- Any other delivery-related charges or credits (e.g., an interim volumetric surcharge)

Interruptible Service (IS):
If sales service is taken under Rate IS, the Company and the DG customer will negotiate the portion of the charge per Ccf that is associated with the Company's local delivery service. This negotiated delivery rate component, as well as the Customer Service Charge will be rebated at the same time the bill is rendered.

If transportation service is taken under Rate IS, no natural gas commodity is provided by the Company, thus the Customer Service Charge, and the total delivery Charge per Ccf will be rebated at the same time the bill is rendered.

MONTHLY INVOICING:

1. Company will immediately credit each eligible DG Customer the applicable retail delivery charge rebate as a credit on that month's bill;

2. Company will invoice the applicable electric distribution company for the retail delivery charge rebated to the DG Customer; and

3. Electric distribution company will then reimburse the Company for the amount of the retail delivery charge rebate.

APPLICABILITY OF SALES TAX:
Pursuant to the State of Connecticut sales tax policy on rebates, even though the EDC Gas Rebate Program under Rider DG reduces the amount paid by the Customer, it may not be used to reduce the measure of the sales tax. Sales tax is to be imposed on the total sales price before any rebate is applied (as per *State of Connecticut Department of Revenue Services, Policy Statement 98 (1.1), Sales Tax Treatment of Coupons, Scan Cards, Cash Equivalents, Promotional Items and Rebates*).

TERM OF SERVICE:
Customer must abide by the term of service as defined or established in the firm or interruptible tariff in which they are receiving service. The gas rebate program will continue under Public Act 05-01 as long as it is required by legislation or until it is modified or repealed or disallowed by the Authority.

RIDER DG – EXHIBIT 1

Agreement[1] #_____

DISTRIBUTED GENERATION NATURAL GAS REBATE THREE PARTY AGREEMENT

THIS AGREEMENT ("Agreement") is made as of this ____day of _____, 2006 amongst and between [INSERT EDC]_____, a [STATE] corporation with an office at [ADDRESS] ("EDC"), [INSERT LDC] _ _____ , a [STATE] corporation with an office at [ADDRESS] ("LDC"), and [INSERT FULL CUSTOMER NAME], a customer of both the EDC and the LDC receiving electric and gas distribution service at [ADDRESS] ("Customer"). EDC, LDC, and Customer are each referred to herein as a "Party" and collectively as the "Parties".

WHEREAS, EDC currently provides electric distribution service to Customer and LDC currently provides gas distribution service to Customer; and

WHEREAS, the Connecticut Public Utilities Regulatory Authority ("the Authority") has, pursuant to Section 11 of the Connecticut Energy Independence Act (Conn. Gen. Stat. §16-243*l)*, established a natural gas rebate program in its March 27, 2006 decision ("DG Decision") in Docket No. 05-07-16, DPUC Review of the Development of a Program to Provide Various Incentives for Customer-Side Distributed Generation Resources;

WHEREAS, Customer desires to construct and utilize customer side distributed resources, as such resources are defined in the Energy Independence Act, which, for purposes of this Agreement and for obtaining a natural gas delivery rebate, is defined in the Energy Independence Act as the generation of electricity from a unit, including, but not limited to, fuel cells, photovoltaic systems or small wind turbines, with a rating of not more than sixty-five megawatts, on the premises of a retail end user within the EDC's transmission and the LDC's distribution system;

WHEREAS, Customer seeks a natural gas delivery rebate as established under the Energy Independence Act for DG unit (defined herein)

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[1] Agreement numbers shall be systematically logged with the following standard prefixes:
CL&P/CNG#___ CL&P and CNG territory project
CL&P/SCG#___ CL&P and SCG territory project
CL&P/YGS#___ CL&P and YGS territory project
UI/CNG#___ UI and CNG territory project
UI/SCG#___ UI and SCG territory project
UI/YGS#___ UI and YGS territory project

its distributed resource project pursuant to LDC's tariffs, including the LDC's DG Rider and the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises of the Parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

1. Distributed Generation Project

Customer will or has constructed a ____ MW distributed generation facility at _____ in _____, Connecticut ("DG Unit").

2. General Terms and Conditions

A. Customer

Customer agrees and affirms that:

i. the DG Unit described above has met, or will meet when constructed, the eligibility; requirements set forth in the Energy Independence Act and Rider DG;

ii. the DG Unit described above has met, or will meet when constructed, the definition of customer-side distributed resources as defined in Section 2 of the Connecticut Energy Independence Act (i.e., Conn. Gen. Stat. §16-1(40)(A): "the generation of electricity from a unit with a rating of not more than sixty-five megawatts on the premises of a retail end user within the transmission and distribution system including, but not limited to, fuel cells, photovoltaic systems or small wind turbines" and the DG unit will abide by any and all requirements of the Authority (whether existing on this day or as may from time to time be established by the Connecticut General Assembly or the Authority) in connection with its receipt of the natural gas rebate contemplated herein.

iii. it will abide by all the terms and conditions as set forth in the applicable DG Rider tariff, which may be modified from time to time as a result of rulings and/or orders rendered by the Authority;

iv. it will abide by a repayment schedule, to be provided by the LDC in a separate service agreement, for the LDC to recover any remaining costs incurred by the LDC related to the above-described DG Unit should gas service to the DG Unit be terminated or be reduced significantly prior to the end of the projected useful life of the DG Unit (the "Cost Recovery").

B. LDC

LDC agrees and affirms that:

i. it will establish a DG service consistent with the DG Rider and a unique billing account number for the DG unit;

ii. it will render a monthly bill to Customer which will include the monthly Customer DG natural gas rebate to the Customer for the

DG unit consistent with the DG Rider as part of the LDC's normal monthly billing process;

iii. it will provide a monthly invoice, on or about the 10th of each month, to the EDC for the value of the monthly DG Rider rebate;

iv. it will develop a repayment schedule, as part of a separate agreement to cover the Cost Recovery.

C. EDC

EDC agrees and affirms that:

i. it will continue to bill the Customer for electric distribution charges consistent with the EDC's applicable terms and conditions for electric distribution service and the EDC's applicable tariffs;

ii. it is responsible for determining when the DG Unit is no longer eligible for the DG Rider or a gas rebate pursuant to the gas rebate program as established by the Authority in the DG Decision;

iii. it will reimburse the LDC for the value of the monthly Customer DG natural gas rebate, within 30 days of the issuance of the monthly invoice from the LDC.

3. Dispute Resolution Procedures: Each Party will attempt to resolve all disputes promptly, equitably and in a good faith manner. If Parties are unable to informally resolve their dispute, the following formal three-step dispute resolution process must be followed for all disputes concerning performance pursuant to this Agreement or interpretation of this Agreement itself:

A. Step One - Negotiation

Upon receipt of written request for formal dispute resolution, the Parties shall negotiate in good faith for 30 calendar days in an attempt to resolve the disputed issues. The Step One negotiation will take place between appropriate representatives of each Party. An appropriate representative is a vice-president or a member of the Party's senior management with sufficient authority to resolve the dispute. Extensions are possible if agreed by all Parties to the dispute.

B. Step Two – Public Utilities Regulatory Authority (the "Authority")

If the Parties cannot resolve their dispute through Step One Negotiation within 30 calendar days, or such greater time as agreed by the Parties to the dispute, either Party may commence an action at the Authority for resolution of the dispute.

C. Step Three – Litigation

If, and only if, an action has been brought to the Authority with respect to their dispute by a Party or the Parties pursuant to Step 2 and either (a) the Authority does not open an administrative proceeding with respect to any action brought by a Party under Step 2 within 30 days of the action being commenced or (b) the Authority determines not to render a decision

on the merits of the dispute, a Party may bring an action with respect to the dispute in the Connecticut Superior Court for the Judicial District of Hartford.

The Dispute Resolution Process itself, including timeframes, may be modified by agreement of all of the Parties to the dispute.

4. **Governing Law:** This Agreement shall be interpreted, governed, and construed under the laws of Connecticut without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

5. **Non-waiver:** None of the provisions of this Agreement shall be considered waived by a Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

6. **Assignment:** Except as provided herein, Customer shall not voluntarily assign its rights or obligations, in whole or in part, under this Agreement without the written consent of both the LDC and the EDC. No assignment Customer purports to make without both the LDC's and EDC's written consent shall be valid. Neither the LDC nor the EDC shall unreasonably withhold or delay its consent to Customer's assignment of this Agreement. In all events, Customer will not be relieved of its obligations under this Agreement unless, and until, the assignee assumes in writing all obligations of this Agreement and notifies both the LDC and EDC of such assumption.

7. **Successors and Assigns:** This Agreement shall be binding upon and enure to the benefit of the Parties, their successors and permitted assigns.

8. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof. This Agreement may not be modified or amended except by instrument in writing signed by all parties.

9. **Relationship of the Parties:** Nothing in this Agreement will be construed as creating a partnership, joint venture, employment or agency relationship between the Parties, or between a Party and any employee of another Party, or as authorizing any Party to act as agent for the other or to enter into contracts on behalf of the other.

10. **Termination of Natural Gas Rebate Program:** The natural gas rebate program as established by the Authority's DG Decision may be terminated at any time by the Authority or by amendment of applicable law. See DG Decision at 18.

Customer shall receive a natural gas rebate only to the extent permitted by the LDC's DG Rider, which may be modified from time to time as a result of rulings and/or orders rendered by the Authority.

11. **Headings:** All headings in this Agreement are included solely for convenient reference, are not intended to be full and accurate descriptions of the contents of this Agreement, will not be deemed a part of this Agreement, and will not affect the meaning or interpretation of this Agreement.

12. **Counterparts:** This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

SIGNATURES

Customer:

NAME _____
(PRINT)

_____
(SIGNATURE)

TITLE_____

DATE_____

EDC:

NAME _____
(PRINT)

_____
(SIGNATURE)

TITLE_____

DATE_____

LDC:

NAME _____
(PRINT)

_____
(SIGNATURE)

TITLE_____

DATE_____