

SPECIAL RULES GOVERNING THE APPLICATION OF RATE RIDER RGB

By order of the Alabama Public Service Commission Docket #18126.

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1. A customer shall not operate electric generating equipment in parallel with the Company's electric system without the written consent of the Company.
2. Each party hereto shall use reasonable care not to damage the electrical equipment of the other and each party hereto shall reimburse the other party for any injury to employees of the other party or damage to the electrical equipment of the other party resulting from defects in the operation and maintenance of its own electrical equipment or resulting from its negligence or that of its agents or employees, and each party hereto shall indemnify the other party against liability for injury or damage suffered by third parties for any such defects and/or negligence.
3. The customer's generator output waveform shall be 60 hertz, sinusoidal, and free of harmonic components or fluctuations that may interfere with the quality of electric service to other Alabama Power Company consumers. Determination of interference shall be made by Alabama Power Company consistent with generally accepted or prevailing standards in the electric utility industry.
4. The customer shall provide, or the Company will provide at the customer's expense, the protective equipment necessary to disconnect the customer-owned generation from the Company's electric system in the event of a fault on the Company's electric system, a fault on the customer's system, or any outage of the Company's electric system. All protective equipment and relay settings necessary for the protection of the Company's system shall be satisfactory to the Company, consistent with generally accepted or prevailing standards in the electric utility industry, prior to operation of the customer's generation in parallel with the Company's electric system.
5. When required the customer shall provide and maintain, at his expense, synchronizing equipment that is satisfactory to the Company, consistent with generally accepted or prevailing standards in the electric utility industry.
6. All metering equipment necessary to meter two-way electric energy flow in excess of metering necessary for a similar consumer who does not operate electric generation in parallel with the Company's electric system shall be provided, installed, and maintained by the Company at the expense of the customer.

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7. Any modification to the Company's electric system made necessary as a result of the customer's generating equipment operating in parallel with the Company's electric system shall be at the expense of the customer. If at any time, changes in the characteristics of the Company's electric system make necessary modification of, or additions to the customer's equipment, or modification of, or additions to the Company's electric system as a result of the customer's generating equipment operating in parallel with the Company's electric system, such modifications and/or additions shall be at the expense of the customer. Planned modifications and/or additions will be coordinated with the customer and a planned beginning date for such changes will be supplied to the customer.
8. The customer shall permit the Company, at any time the Company deems necessary, to install or modify any equipment, facility, or apparatus to insure the accuracy of its metering equipment as a result of the operation of the customer's generating equipment. Such installation or modification shall be at the expense of the customer. The customer shall be given actual notice before the Company undertakes any such modification of, or additions to, the Company's electric system.
9. Any charges made to the customer for any equipment provided by the Company or for any work performed by the Company shall not convey title to the customer for such facilities so required.
10. Since some generators require relatively large amounts of reactive power from the Company's electrical system, the Company may, at its option, require the customer to provide capacitors to insure unity power factor, consistent with generally accepted or prevailing standards in the electric utility industry.
11. The customer shall not energize a Company circuit unless specifically authorized to do so by appropriate authorities of the Company.
12. The customer shall permit the Company's employees to enter upon his property at any reasonable time for the purpose of inspecting and/or testing the customer's equipment, facilities, or apparatus to insure their safe operation and to insure the accuracy of the Company's metering equipment. Such inspections shall not relieve the customer from his obligation to maintain his equipment in safe and satisfactory operating condition.

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13. It is the customer's responsibility to provide for the protection of his equipment from hazards resulting from parallel operation. The Company shall not be liable for damage to the customer's generating or electrical equipment caused by the customer's failure to provide reasonable protection.
14. Prior to the start of any interconnection work, the customer shall furnish evidence to the Company of liability insurance protecting the Company, its officers, employees, agents and representatives from any liability resulting from any injuries or damages caused by the operation of any of the customer's equipment or by the customer's failure to maintain his equipment in satisfactory and safe operating conditions. The policy providing such liability insurance shall provide coverage of not less than One Million Dollars (\$1,000,000) for each accident. The insurance policy shall be placed with an insurance company whose financial condition and policy forms are acceptable under the standards of the Insurance Code and the Insurance Department of the State of Alabama, and shall be endorsed to cover all liabilities resulting from any injuries or damages caused by the operation of any of the customer's equipment or by failure to maintain his equipment in satisfactory and safe operating condition.

In addition, the above-required policy shall be endorsed with a provision whereby the insurance company will notify the Company thirty (30) days prior to the effective date of cancellation or material change in the policy.

The customer may furnish to the Company equivalent security acceptable to the Company in lieu of insurance.

15. The customer must comply, and will continue to comply with all presently existing or future regulations, rules, orders or decisions of all governmental authorities with jurisdiction over the customer's generating equipment and its operations.
16. The Company shall have the right to separate from the customer's generating equipment for:
 - A. Company system emergencies and/or maintenance requirements
 - B. Hazardous conditions existing on the customer's generating or protective equipment as determined by the Company.

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- C. Adverse effects of customer's generation to the Company's other electric consumers and/or system as determined by the Company.
- D. Failure of customer to maintain any insurance required as a condition to the start of interconnection work.
- E. Failure of customer to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the customer's electric generating equipment or the operation of such equipment, which failure of compliance would place in jeopardy the personnel, or property, or service capability of the Company, or would pose a threat of sanction or liability to the Company in the event that it continued interconnection.

Where possible the Company will attempt to coordinate separation from the customer's generation and, if feasible, give notice of the planned separation. However, it should be clearly recognized that the Company does have the right to separate whenever required without the customer's concurrence or approval if the situation so warrants.

- 17. In the event of separation from the customer's generating equipment by the Company, the customer shall not reconnect his generating equipment to the Company's system without specific permission to do so by the appropriate authorities of the Company. In no event will reconnection occur until the Company believes it has received adequate assurance that no conditions that may give rise to separation exist or will exist in the future.
- 18. The Company will negotiate in good faith concerning changes to a customer's existing service agreement where the customer installs new or additional generating capacity.