

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: DECEMBER 1, 2011

LEAF: 316
REVISION: 3
SUPERSEDING REVISION: 2

STAMPS: Issued in Compliance with Order issued November 21, 2011 in Case No. 11-E-0321.

**NIAGARA MOHAWK, D/B/A NATIONAL GRID
STANDARDIZED CONTRACT
FORM "K" (Continued)**

3.2 Observation of the Unit - Construction Phase: The Company may, in its discretion and upon reasonable notice, conduct reasonable on-site verifications during the construction of the Unit. Whenever the Company chooses to exercise its right to conduct observations herein it shall specify to the Customer its reasons for its decision to conduct the observation. For purposes of this paragraph and paragraphs 3.3 through 3.5, the term "on-site verification" shall not include testing of the Unit, and verification tests shall not be required except as provided in paragraphs 3.3 and 3.4.

3.3 Observation of the Unit - Ten-day Period: The Company may conduct on-site verifications of the Unit and observe the execution of verification testing within a reasonable period of time, not exceeding ten (10) business days after system installation. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the verification test. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

3.4 Observation of the Unit - Post-Ten-day Period: If the Company does not perform an on-site verification of the Unit and observe the execution of verification testing within the ten-day period, the Customer will send the utility within five (5) days of the verification testing a written notification certifying that the Unit has been installed and tested in compliance with the SIR, the utility-accepted design and the equipment manufacturer's instructions. The Customer may begin to produce energy upon satisfactory completion of the verification test. After receiving the verification test notification, the Company will either issue to the applicant a formal letter of acceptance for interconnection, or may request that the applicant and utility set a date and time to conduct an on-site verification of the Unit and make reasonable inquiries of the Customer, but only for purposes of determining whether the verification tests were properly performed. The Customer shall not be required to perform the verification tests a second time, unless irregularities appear in the verification test report or there are other objective indications that the tests were not properly performed in the first instance.

3.5 Observation of the Unit - Operations: The Company may conduct on-site verification of the operations of the Unit after it commences operations if the Company has a reasonable basis for doing so based on its responsibility to provide continuous and reliable utility service or as authorized by the provisions of the Company's Retail Tariff relating to the verification of customer installations generally.

3.6 Costs of Dedicated Facilities: During the term of this Agreement, the Company shall design, construct and install the Dedicated Facilities. The Customer shall be responsible for paying the incremental capital cost of such Dedicated Facilities attributable to the Customer's Unit. All costs associated with the operation and maintenance of the Dedicated Facilities after the Unit first produces energy shall be the responsibility of the Company.

IV. DISCONNECTION OF THE UNIT

4.1 Emergency Disconnection: The Company may disconnect the Unit, without prior notice to the Customer (a) to eliminate conditions that constitute a potential hazard to Company personnel or the general public; (b) if pre-emergency or emergency conditions exist on the Company system; (c) if a hazardous condition relating to the Unit is observed by a utility inspection; or (d) if the Customer has tampered with any protective device. The Company shall notify the Customer of the emergency if circumstances permit.

Issued by Kenneth D. Daly, President, Syracuse, NY