
NET ENERGY METERING RIDER

AVAILABILITY

This Rider is available to all Customers who own and operate a biomass, solar or wind electrical generating facility that has a capacity of not more than 2,000 kilowatts, where such generating facility is connected for parallel operation with the service of the Company, and where such generating facility is located on the Customer's premises and is intended to offset part or all of the Customer's electrical requirements.

Terms and conditions for net energy transmitted by the Customer to the Company are included herein for reference only. The Customer may alternatively select other options to operate in parallel and sell power under terms of the Company's Schedule "CO-G".

In accordance with the Annotated Code of Maryland, Public Utility Companies, Section 7-306, Net energy metering, this Rider will be available to eligible Customers on a first-come, first-served basis until the rated generating capacity owned and operated by eligible Customers in the State reaches 1,500 MW.

RATES

A Customer receiving service under this Rider is subject to the identical energy, capacity, and reactive charges, rate structure, and monthly charges and minimum charges that would be assigned if the Customer were not an eligible customer-generator.

This Rider provides no adjustment to the demand billing determinant or capacity charge that a Customer eligible for service under this Rider may be subject to.

The Company shall provide metering that is capable of measuring the flow of electricity in two directions at no additional cost to Customers qualified to receive service under this Rider. The Customer shall pay the differential cost between any additional metering requested and the metering normally provided by the Company to Customers who do not receive service under this Rider. An eligible Customer-generator shall own and have title to all renewable energy attributes or renewable energy credits associated with any electricity produced by its electric generating system.

The Customer shall pay for any changes to the Company's distribution system made necessary by the connection of the Customer's equipment. This work will be performed by the Company at the Customer's expense and in the case of new facilities will include only the differential cost between those facilities required to serve the Customer-generator and a non-generating Customer.

ISSUED BY DAVID E. FLITMAN, PRESIDENT

Issued August 31, 2007

To become effective for
all service rendered on
or after October 1, 2007

NET ENERGY METERING RIDER (Continued)

SPECIAL CONDITIONS

1. **Net Energy:** Net Energy is the energy supplied by the Company minus the energy generated by the Customer, during a billing period, where, the energy generated by the Customer is that energy fed back into the Company's system at such times as Customer generation exceeds Customer requirements. Only if net energy is positive shall net energy charges be applied at the rates specified above except that the minimum charge will be applied in any case. If the calculation of net energy yields a negative result, all such negative net energy shall be considered net energy transmitted and shall be treated as stated in Special Condition No. 3 below. The components of net energy shall be determined by the use of metering capable of measuring the flow of electricity in two directions, to be provided by the Company at the same charge an eligible Customer would pay for a standard meter.
2. **Net Energy Transmitted:** Net energy transmitted occurs when the cumulative value of energy generated by the Customer exceeds the cumulative value of energy generated and supplied to the Customer by the Company during an entire billing period and is the amount by which the energy generated by the Customer and fed back into the Company's system exceeds the energy generated and supplied by the Company over an entire billing period. If electricity generated by the Customer exceeds the electricity supplied by the Company, the Customer shall be required to pay only Customer charges and minimum charges for that month, as required by the Rate Schedule under which the Customer is receiving service.
3. **Billing and Billing Periods:** The billing period to be used under this tariff shall be the customary billing period for ordinary residential or general service Rate Schedules. In any billing period where the energy generated and supplied by the Company exceeds the energy generated by the Customer, the Company will bill the Customer for the Net Energy consumed per the terms of the Rate Schedule. In billing periods where the energy generated by the Customer exceeds the energy generated and supplied to the Customer by the Company, the Customer is required to pay only the Customer charges and minimums that the Customer would have otherwise paid under the applicable residential or general service Rate Schedule. Net energy transmitted will be carried forward until the Customer's consumption from the grid eliminates the credit or the 12 month generation credit accrual period expires. Any remaining accrued generation credit at the expiration of the 12-month accrual period shall revert to the Company and may not be recovered by the Customer.
4. **Meter Accuracy:** The metering supplied by the Company under this tariff shall be accurate to within $\pm 5\%$ when registering in reverse, that is during those times when the energy generated by the Customer is greater than the energy generated by the Company. When the energy generated and supplied to the Customer by the Company is greater than the energy generated by the Customer, the meter must retain the ability to register consumption within the accuracy tolerances as specified in the applicable sections of the Annotated Code of Maryland and the Code of Maryland Regulations.

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NET ENERGY METERING RIDER (Continued)

5. Safety and Reliability: The design and installation of the Customer's generation must comply with all applicable laws and regulations and shall meet all applicable safety and performance standards established by the National Electric Code, The Institute of Electrical and Electronics Engineers and Underwriters Laboratory.
- a. The Customer assumes sole responsibility to design and install its system for protection against faults or disturbances on the Company's system.
 - b. The Company shall have the right to inspect all the facilities and their operation, and to test all protective equipment, at any time that this Rider is in effect.
 - c. Customer generation must operate in parallel with Company generation. Customer must provide synchronizing equipment which will automatically isolate the Customer generation from the Company's system if the Company's circuit becomes de-energized or if the Customer should lose synchronization.
 - d. Parallel operation must cease immediately and automatically during electrical outages and other emergency or abnormal conditions as specified by the Company, or when maintenance on Company facilities is being performed and safety considerations require the de-energizing of the Customer. The Company is not liable for and accepts no responsibility whatsoever for any loss, cost, expense, damage or injury to any person or property resulting from the use or presence of electric current or voltage which originates from a Customer's generation facilities, or is caused by failure of the Customer to operate in compliance with Company requirements.
 - e. The Company may disconnect from the Customer's facilities in order that the Company can (1) construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its system; or (2) if the Company determines the curtailment, interruption or reduction of deliveries of energy or energy and capacity is necessary because of technical system emergencies including forced outages and operating conditions on its system, or as otherwise required by prudent electrical practices.

ISSUED BY BRUCE E. WALENCZYK, VICE PRESIDENT

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NET ENERGY METERING RIDER (Concluded)

6. Periods During Which Purchases Are Not Required: The Company will not be required to receive energy or capacity during an electrical emergency or during periods of maintenance when safety considerations would require the de-energizing of facilities. Whenever possible the Company will notify the Customer by telephone, followed by written confirmation, of such circumstances.
7. General:
- a. The Customer is solely responsible for the proper installation, operation, and maintenance of any equipment used, all costs, expense, pecuniary or other loss which may arise directly or indirectly from any act or omission of the Customer, its agents, servants, or employees.
 - b. Maintenance and operation of the generator and associated equipment will be the responsibility of the Customer.
 - c. Failure of the Customer to comply with any of the Company's provisions or requirements shall result in immediate disconnection from the Company's system and the Company will be under no obligation to reconnect the Customer's service until, in the sole opinion of the Company, the Customer does comply.

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