

CALIFORNIA PUBLIC UTILITIES COMMISSION

**ADVICE LETTER FILING SUMMARY
ENERGY UTILITY**

MUST BE COMPLETED BY LSE (Attach additional pages as needed)

Company name/CPUC Utility No. **Liberty Utilities (CalPeco Electric) LLC (U 933-E)**

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person for questions and approval letters:
Alain Blunier _____

Phone #: 530-546-1702

E-mail: **Alain.Blunier@libertyutilities.com**

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 61-E

Subject of AL: Liberty Utilities (CalPeco Electric) LLC (U 933-E) – Revised and Additional Pro Forma Generating Facility Interconnection Agreements in Liberty Utilities’ Rule 21

Tier Designation: 1 2 3

Keywords (choose from CPUC listing): Affiliate Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Resolution Required? Yes No

Requested effective date: September 22, 2016

No. of tariff sheets: 22

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division Utility Info (including e-mail)

Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
edtarriffunit@cpuc.ca.gov

Liberty Utilities (CalPeco Electric) LLC
Attention: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Email: Alain.Blunier@libertyutilities.com



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

VIA EMAIL AND HAND DELIVERY

August 23, 2016

**Advice Letter No. 61-E
(U 933-E)**

Edward Randolph, Director, Energy Division
California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

**Subject: Revised and Additional Pro Forma Generating Facility Interconnection
Agreements in Liberty Utilities Rule 21**

Liberty Utilities (CalPeco Electric) LLC (U 933 E) (“Liberty Utilities”) hereby submits this **Tier 2** Advice Letter No. 61-E to revise the standard form of Non-Exporting Generating Facility Interconnection Agreement (“Non-Export Agreement”) now contained in its Rule 21. Liberty Utilities also requests to supplement Rule 21 to also include a pro forma interconnection agreement for generators who may export a portion of their generation to the Liberty Distribution System (“Export Agreement”).

The requested addition of the Export Agreement does require certain limited changes in the text of Rule 21. Accordingly a redline and clean version of the impacted Tariff Sheets in Rule 21 are included in Attachment A.

Introduction

Liberty Utilities acquired its service territory from Sierra Pacific Power Company’s (“Sierra”) in 2011.¹ As part of the acquisition transaction, Liberty Utilities adopted the existing tariffs and rules the Commission had previously approved for Sierra, including Rule 21 and its related pro forma Generating Facility Interconnection Agreement.

Liberty Utilities has recently been requested to provide Rule 21 Generating Facility Interconnection Agreements by prospective generators for non-exporting and exporting purposes. In preparing its responses, Liberty Utilities determined that its Non-Export Agreement should be revised and that Rule 21 should also offer a pro forma interconnection agreement available for generators who may export any portion of their generation.

The revisions that Liberty Utilities seeks to include in its pro forma Non-Export Agreement currently contained in Rule 21 represent several provisions which are generally standard for

¹ See D.10-10-017.

these agreements and which the Commission has authorized other utilities to include in their analogous Rule 21 pro forma interconnection agreements. For instance, new Sections 1.2, 1.3 and 1.4 have been derived from the same provisions in Form 79-1144 which is contained in Electric Rule 21 for Pacific Gas and Electric Company (“PG&E”). Liberty Utilities’ revisions also are intended to provide additional clarity to the currently approved pro forma Non-Export Agreement.

Liberty Utilities also seeks to add a new pro forma Export Agreement to Rule 21. The Commission has approved Rule 21 interconnection agreements to accommodate exporting generators for other utilities.² The form and substantive provisions of the pro forma Export Agreement Liberty Utilities proposes are substantially similar to the Non-Export Agreement.³ The singular material difference is that the Export Agreement authorizes the generator to export any energy in excess of its internal requirements to the Liberty Distribution System.

Effective Date

In accordance with General Order 96-B, Liberty Utilities submits this **Tier 2** Advice Letter with a requested effective date of September 22, 2016.

Protests

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than September 12, 2016, which is 20 days after the date of this Advice Letter. There are no restrictions on who may submit a protest, but the protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. Protests should be mailed to:

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298
Facsimile: (415) 703-2200
Email: edtariffunit@cpuc.ca.gov

The protest should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities (CalPeco Electric) LLC at the address shown below on the same date it is mailed or delivered to the Commission:

Liberty Utilities (CalPeco Electric) LLC
Attn: Advice Letter Protests
933 Eloise Avenue

Steven F. Greenwald
Vidhya Prabhakaran
Davis Wright Tremaine LLP

² See PG&E Form 79-1144.

³ Liberty is including the pro forma Exporting Agreement in Rule 21 in the pages immediately following the pro forma Non-Exporting Agreement.

Energy Division Tariff Unit
California Public Utilities Commission
August 23, 2016
Page 3

South Lake Tahoe, CA 96150
Fax: 530-544-4811
Email: Alain.Blunier@libertyutilities.com

505 Montgomery Street, Suite 800
San Francisco, CA 94111
Fax: 415-276-6599
Email: stevegreenwald@dwt.com
Email: vidhyaprabhakaran@dwt.com

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this Advice Letter is being sent electronically to parties shown on the attached lists.

If additional information is required, please do not hesitate to contact me.

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/

Travis Johnson P.E.
Vice President, Operations
Liberty Utilities (CalPeco Electric) LLC

Attachments:

cc: Liberty Utilities General Order 96-B Service List

Liberty Utilities (CalPeco Electric) LLC
Advice Letter Filing Service List
General Order 96-B, Section 4.3

VIA EMAIL

gbinge@ktminc.com
emello@sppc.com
epoole@adplaw.com
cem@newsdata.com
rmccann@umich.edu
sheila@wma.org
abb@eslawfirm.com
cbk@eslawfirm.com
bhodgeusa@yahoo.com
chilen@nvenenergy.com
phanschen@mofoc.com
liddell@energyattorney.com
cem@newsdata.com
dietrichlaw2@earthlink.net
abb@eslawfirm.com
glw@eslawfirm.com
clerk-recorder@sierracounty.ws
plumascoco@gmail.com
marshall@psln.com
stephenhollabaugh@tdpud.org
gross@portersimon.com
mccluretahoe@yahoo.com
catherine.mazzeo@swgas.com
Theresa.Faegre@libertyutilities.com
SDG&ETariffs@semprautilities.com
Alain.Blunier@libertyutilities.com

AdviceTariffManager@sce.com
edtariffunit@cpuc.ca.gov
jrw@cpuc.ca.gov
rmp@cpuc.ca.gov
jaime.gannon@cpuc.ca.gov
mas@cpuc.ca.gov
txb@cpuc.ca.gov
efr@cpuc.ca.gov
tlg@cpuc.ca.gov
dao@cpuc.ca.gov
ljt@cpuc.ca.gov
mmg@cpuc.ca.gov
kjl@cpuc.ca.gov
denise.tyrrell@cpuc.ca.gov
fadi.daye@cpuc.ca.gov
winnie.ho@cpuc.ca.gov
usrb@cpuc.ca.gov
Rob.Oglesby@energy.ca.gov
stevegreenwald@dwt.com
vidhyaprabhakaran@dwt.com
judypau@dwt.com
dwtcpucdockets@dwt.com
patrickferguson@dwt.com
travis.ritchie@sierraclub.org

ATTACHMENT A

CLEAN VERSION OF TARIFF SHEETS

RULE 21
GENERATING FACILITY INTERCONNECTIONS

A. APPLICABILITY AND INTRODUCTION

1. Applicability. This Rule describes the interconnection, operating and metering requirements for Generating Facilities that are intended to be connected to the Distribution System over which the California Public Utilities Commission (CPUC) has jurisdiction. Subject to the requirements of this Rule, Liberty Utilities (CalPeco Electric) LLC ("Liberty") will allow the interconnection of Generating Facilities with its Distribution System.
2. Definitions. Capitalized terms used in this Rule, and not otherwise defined, shall have the meaning ascribed to such terms in Section H. The definitions in the Rule shall only apply to this Rule and shall not apply to Liberty's other tariffs.
3. Enabling Documents. It is contemplated that the Applicant will be required to execute various enabling documents, such as the Application and Interconnection Agreement. Pro forma Interconnection Agreements for Electricity Producers, both non-exporting and exporting, are provided.

(T)

B. GENERAL RULES, RIGHTS AND OBLIGATIONS

1. Authorization Required to Interconnect. An Electricity Producer must comply with this Rule, form an Interconnection Agreement with Liberty, and receive Liberty's express written permission to interconnect before connecting or operating a Generating Facility in parallel with Liberty's Distribution System. Liberty shall apply this Rule in a non-discriminatory manner and shall not unreasonably withhold its permission to interconnect an Electric Producer's Generating Facility.
2. Separate Arrangements Required for Other Services. An Electricity Producer requiring other electric services from Liberty including, but not limited to, Distribution Service provided by Liberty during periods of curtailment or interruption of a Generating Facility, must enter into separate arrangements with Liberty for such services in accordance with CPUC approved tariffs.
3. Transmission Service Not Provided with Interconnection. Interconnection with Liberty's Distribution System under this Rule does not provide an Electricity Producer any rights to utilize Liberty's Distribution System for the transmission or distribution of electric power, nor does it limit those rights.

(Continued)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective Septemer 22, 2016

Resolution No. _____

GENERATING FACILITY
INTERCONNECTION AGREEMENT (NON-EXPORT)

This Generating Facility Interconnection Agreement ("Agreement") is entered into by and between Electrical Producer's Name ("Electricity Producer" or "EP"), and Liberty Utilities (CalPeco Electric) LLC ("Liberty"). EP and Liberty are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party."

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

- 1.1 This Agreement provides for EP to interconnect and operate a Generating Facility in parallel with Liberty's Distribution System to serve the electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the California Public Utilities Code, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits).
- 1.2 Purpose. This Agreement incorporates in its entirety Liberty's California Public Utilities Commission ("CPUC") approved Electric Rule 21 ("Rule 21"), subject to any modifications the CPUC may direct in the exercise of its jurisdiction. This Agreement governs the terms and conditions under which the EP's Generating Facility will interconnect with, and operate in parallel with, the Liberty Distribution System. In the event of inconsistency between this Agreement and the terms of Rule 21, the provisions of Rule 21 shall control.
- 1.3 No Agreement to Purchase of Deliver Power. This Agreement does not constitute an agreement by Liberty either to purchase or to deliver the EP's power. The purchase or delivery of power and other services that the EP may require will be covered under separate agreements, if any. The EP will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Limitations. Nothing in this Agreement is intended to affect any other agreement between Liberty and the EP.

(T)

2. SUMMARY AND DESCRIPTION OF EP's GENERATING FACILITY

- 2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how EP's Generating Facility and loads are interconnected with Liberty's Distribution System, is attached to and made a part of this Agreement as Appendix A.
- 2.2 Generating Facility identification number: _____ (Assigned by Liberty)
- 2.3 Liberty's customer electric service account number: _____ (Assigned by Liberty)

Issued by

Advice Letter No. 61-E Gregory S. Sorensen

Name

Date Filed August 23, 2016

Decision No. _____ President

Title

Effective September 22, 2016

Resolution No. _____

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 3rd Revised
2nd Revised

CPUC Sheet No. 323A
CPUC Sheet No. 323

2.4 Name and address used by Liberty to locate the electric service account used to interconnect the Generating Facility with Liberty's Distribution System:

2.5 The Gross Nameplate Rating of the Generating Facility is: _____ kW.

2.6 The Net Nameplate Rating of the Generating Facility is _____ kW.

2.7 The expected annual energy production of the Generating Facility is _____ kWh.

(Continued)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

2. SUMMARY AND DESCRIPTION OF EP's GENERATING FACILITY (Continued)

2.8 The Generating Facility's expected date of Initial Operation is _____. The expected date of Initial Operation shall be within two years of the date of this Agreement.

(T)

3. DOCUMENTS INCLUDED; DEFINED TERMS

3.1 This Agreement includes the following exhibits which are specifically incorporated herein and made a part of this Agreement by this reference:

Appendix A- Description of Generating Facility and Single-Line Diagram

Appendix B- Copies of Rules 2 and 21 and other selected rules and tariffs of Liberty

Appendix C (When applicable) Copy of Interconnection Facility Financing and Ownership Agreement

3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in Rule 21 of Liberty's tariffs.

4. TERM AND TERMINATION

4.1 This Agreement shall become effective as of the last date entered in Section 16, below. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:

(a) The Parties agree in writing to terminate the Agreement; or

(b) At 12:01 A.M. on the 31st day after EP or Liberty provides written Notice (pursuant to Section 9, below) to the other Party of EP's or Liberty's intent to terminate this Agreement.

(T)

4.2 EP may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for any reason. Liberty may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for one or more of the following reasons:

(a) A change in applicable rules, tariffs, and regulations, as approved or directed by the CPUC, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects Liberty's ability or obligation to perform Liberty's duties under this Agreement; or,

(Continued)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

4. TERM AND TERMINATION (Continued)

- (b) EP fails to take all corrective actions specified in Liberty’s Notice that EP’s Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
 - (c) EP fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.9, above, as the Generating Facility’s expected date of Initial Operation; or,
 - (d) EP abandons the Generating Facility. Liberty shall deem the Generating Facility to be abandoned if Liberty determines, in its sole opinion, the Generating Facility is non-operational and EP does not provide a substantive response to Liberty’s Notice of intent to terminate this Agreement as a result of EP’s apparent abandonment of the Generating Facility affirming EP’s intent and ability to continue to operate the Generating Facility.
- 4.3 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally submit to the CPUC, pursuant to the CPUC’s rules and regulations, a pleading seeking the authority to terminate this Agreement. (T)
- 4.4 Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.
- 4.5 Upon termination of this Agreement, the Generating Facility will be disconnected from the Liberty Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party’s Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement. (T)

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS

- 5.1 Requirements for Parallel Operation. Liberty has the right to provide requirements, consistent with Good Utility Practices, that EP must meet before Liberty authorizes the Generating Facility to initiate parallel operation with the Liberty Distribution System.
- 5.2 Parallel Operation Obligations. Once Liberty has authorized the Generating Facility to commence parallel operation, the EP shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable balancing authority area, including, but not limited to the rules and procedures concerning the operation of generation set forth in Rule 21. (T)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen

Date Filed August 23, 2016

Decision No. _____

Name
President
Title

Effective September 22, 2016

Resolution No. _____

5.3 The electric power produced by EP's Generating Facility shall be used solely to serve electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the PUC, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits). EP shall attempt in good faith to regulate the electric power output of EP's Generating Facility so as to prevent the flow of electric energy from the Generating Facility to Liberty's electric system. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require Liberty to receive, purchase, transmit, distribute, or store the electrical power produced by EP's Generating Facility.

5.4 If EP declares that its Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PUC (or any successor definition of "Cogeneration") ("Cogeneration Requirements"), EP warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet such Cogeneration Requirements. If EP becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, EP shall promptly provide Liberty with Notice of such change pursuant to Section 9.1 below.

(Continued)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

**5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS
(Continued)**

5.4 (Continued)

If at any time during the term of this Agreement Liberty determines in its sole discretion that EP's Generating Facility may no longer meet the Cogeneration Requirements, Liberty may require EP to provide evidence that its Generating Facility continues to meet the Cogeneration Requirements within 15 business days of Liberty's request for such evidence. Additionally, Liberty may periodically (typically, once per year) inspect EP's Generating Facility and/or require documentation from EP to monitor the Generating Facility's compliance with Section 218.5 of the PUC. If Liberty determines in its sole judgment that EP either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as EP again demonstrates to Liberty's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the "Status Change").

5.4.1 Liberty shall revise its records and the administration of this Agreement to reflect the Status Change and provide Notice to EP of the Status Change pursuant to Section 9.1 below. This Notice shall specify the effective date of the Status Change. This date shall be the first day of the calendar year for which Liberty determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements.

5.4.2 Any amounts to be paid or refunded by EP, as may be invoiced by Liberty pursuant to the terms of Section 5.2, shall be paid to Liberty within 30 days of EP's receipt of such invoice.

6. INTERCONNECTION FACILITIES

6.1 EP and/or Liberty, as appropriate, shall provide Interconnection Facilities that adequately protect Liberty's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of EP's Generating Facility.

(T)

6. INTERCONNECTION FACILITIES (Continued)

- 6.2 EP shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that EP owns.
- 6.3 If the provisions of Liberty’s Rule 21, or any other tariff or rule approved by the CPUC, requires Liberty to own and operate a portion of the Interconnection Facilities, EP and Liberty shall promptly execute an *Interconnection Facilities Financing and Operation Agreement* that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This *Interconnection Facilities Financing and Operation Agreement* shall be attached to and made a part of this Agreement as Appendix C.

7. LIMITATION OF LIABILITY

Each Party’s liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney’s fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

8. INSURANCE

- 8.1 In connection with EP’s performance of its duties and obligations under this Agreement, EP shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
 - (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is greater than one hundred (100) kW;
 - (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
 - (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is twenty (20) kW or less.
 - (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is ten (10) kW or less and EP’s Generating Facility is connected to an account receiving residential service from Liberty.

Such general liability insurance shall include coverage for “Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.”

(Continued)

(T)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

8. INSURANCE (Continued)

8.2 The general liability insurance required in Section 8.1 shall, by endorsement to the policy or policies, (a) include Liberty as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Liberty shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Liberty prior to cancellation, termination, alteration, or material change of such insurance.

8.3 Evidence of the insurance required in Section 8.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Liberty.

(T)

8.4 EP shall furnish the required insurance certificates and endorsements to Liberty prior to Initial Operation of the Generating Facility. Thereafter, Liberty shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.

8.5 If EP is self-insured with an established record of self-insurance, EP may comply with the following in lieu of Sections 8.1 through 8.3:

(T)

- (a) EP shall provide to Liberty, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 8.1.
- (b) If EP ceases to self-insure to the level required hereunder, or if EP are unable to provide continuing evidence of EP's ability to self-insure, EP agrees to immediately obtain the coverage required under Section 8.1.

8.6 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Liberty Utilities (CalPeco Electric) LLC
 Attention: _____

(Continued)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

9. NOTICES

9.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to Liberty: Liberty Utilities (CalPeco Electric) LLC
Attention: _____

Phone: () _____
FAX: () _____

If to EP: EP Name _____
Address: _____
City: _____
Phone: () _____
FAX: () _____

9.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 9.1.

9.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

10. REVIEW OF RECORDS AND DATA

Liberty shall have the right to review and obtain copies of EP's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to EP's Generating Facility or its interconnection with Liberty's Distribution System.

11. ASSIGNMENT

EP shall not voluntarily assign its rights nor delegate its duties under this Agreement without Liberty's written consent. Any assignment or delegation EP makes without Liberty's written consent shall not be valid. Liberty shall not unreasonably withhold its consent to EP's assignment of this Agreement.

12. 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.

(Continued)

Advice Letter No. 28-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective July 15, 2013

Resolution No. _____

13. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF LIBERTY'S TARIFFS AND RULES

- 13.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 13.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.
- 13.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by Liberty, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.
- 13.4 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

14. AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

15. ENTIRE AGREEMENT

This Agreement, including any incorporated tariff schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated tariff schedules and rules.

16. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

EP NAME	LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
By: <u>SAMPLE</u>	By: <u>SAMPLE</u>
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Advice Letter No. 28-E

Issued by
Gregory S. Sorensen
Name
President
Title

Date Filed August 23, 2016

Decision No. _____

Effective July 15, 2013

Resolution No. _____

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
SOUTH LAKE TAHOE, CALIFORNIA

Canceling 2nd Revised
1st Revised

CPUC Sheet No. 331
CPUC Sheet No. 331

(T)

APPENDIX A

**DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM,
(Provided by EP)**

(T)

Advice Letter No. 28-E Issued by Michael R. Smart Date Filed July 15, 2013
Decision No. _____ Name _____ Effective July 15, 2013
Title President Resolution No. _____

APPENDIX B

RULES: "2" and "21"
TARIFF SCHEDULE: "S"- Standby
TARIFF SCHEDULES:

(Note: Liberty's tariffs are included for reference only and shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.)

(T)

times be

(T)

(T)

APPENDIX C
(When Applicable)

INTERCONNECTION FACILITIES
FINANCING AND OWNERSHIP
AGREEMENT

(T)

GENERATING FACILITY
INTERCONNECTION AGREEMENT
(EXPORT)

This Generating Facility Interconnection Agreement ("Agreement") is entered into by and between Electrical Producer's Name ("Electricity Producer" or "EP"), and Liberty Utilities (CalPeco Electric) LLC ("Liberty"). EP and Liberty are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party."

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

- 1.1 This Agreement provides for EP to interconnect and operate a Generating Facility in parallel with Liberty's Distribution System: (i) to serve the electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the California Public Utilities Code, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits); and (ii) in instances in which the generation from EP's Generating Facility exceeds EP's electrical loads to export such excess energy into Liberty's Distribution System.
- 1.2 Purpose. This Agreement incorporates in its entirety Liberty's California Public Utilities Commission ("CPUC") approved Electric Rule 21 ("Rule 21"), subject to any modifications the CPUC may direct in the exercise of its jurisdiction. This Agreement governs the terms and conditions under which the EP's Generating Facility will interconnect with, and operate in parallel with, the Liberty Distribution System. In the event of inconsistency between this Agreement and the terms of Rule 21, the provisions of Rule 21 shall control.
- 1.3 No Agreement to Purchase or Deliver Power. This Agreement does not constitute an agreement by Liberty either to purchase or to deliver the EP's power. The purchase or delivery of power and other services that EP may require will be covered under separate agreements, if any. The EP will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4 Limitations. Nothing in this Agreement is intended to affect any other agreement between Liberty and the EP.

2. SUMMARY AND DESCRIPTION OF EP's GENERATING FACILITY

- 2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how EP's Generating Facility and loads are interconnected with Liberty's Distribution System, is attached to and made a part of this Agreement as Appendix A.
- 2.2 Generating Facility identification number: _____ (Assigned by Liberty)

(N)

(N)

- 2.3 Liberty's customer electric service account number: _____ (Assigned by Liberty)
- 2.4 Name and address used by Liberty to locate the electric service account used to interconnect the Generating Facility with Liberty's Distribution System:

- 2.5 The Gross Nameplate Rating of the Generating Facility is: _____ kW.
- 2.6 The Net Nameplate Rating of the Generating Facility is _____ kW.
- 2.7 The expected annual energy production of the Generating Facility is _____ kWh.
- 2.8 Notwithstanding any other provision of this Agreement, in no event and at no time shall EP seek to deliver to the Liberty Distribution System more than the KW amount set forth in Section 2.6 and Liberty shall have no obligation to accept into the Liberty Distribution System more than such amount.
- 2.9 The Generating Facility's expected date of Initial Operation is _____.
The expected date of Initial Operation shall be within two years of the date of this Agreement.

3. DOCUMENTS INCLUDED; DEFINED TERMS

- 3.1 This Agreement includes the following exhibits which are specifically incorporated herein and made a part of this Agreement by this reference:
 - Appendix A- Description of Generating Facility and Single-Line Diagram
 - Appendix B- Copies of Rules 2 and 21 and other selected rules and tariffs of Liberty
 - Appendix C (When applicable) Copy of Interconnection Facility Financing and Ownership Agreement
- 3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in Rule 21 of Liberty's tariffs.

(N)

(N)

Advice Letter No. 61-E

Issued by

Gregory S. Sorensen

Date Filed August 23, 2016

Name

Decision No. _____

President

Effective September 22, 2016

Title

Resolution No. _____

4. TERM AND TERMINATION

- 4.1 This Agreement shall become effective as of the last date entered in Section 16, below. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
- (a) The Parties agree in writing to terminate the Agreement; or
 - (b) At 12:01 A.M. on the 31st day after EP or Liberty provides written Notice (pursuant to Section 9, below) to the other Party of EP's or Liberty's intent to terminate this Agreement.
- 4.2 EP may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for any reason. Liberty may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for one or more of the following reasons:
- (a) A change in applicable rules, tariffs, and regulations, as approved or directed by the CPUC, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects Liberty's ability or obligation to perform Liberty's duties under this Agreement; or,
 - (b) EP fails to take all corrective actions specified in Liberty's Notice that EP's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
 - (c) EP fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.9, above, as the Generating Facility's expected date of Initial Operation; or,
 - (d) EP abandons the Generating Facility. Liberty shall deem the Generating Facility to be abandoned if Liberty determines, in its sole opinion, the Generating Facility is non-operational and EP does not provide a substantive response to Liberty's Notice of intent to terminate this Agreement as a result of EP's apparent abandonment of the Generating Facility affirming EP's intent and ability to continue to operate the Generating Facility.
- 4.3 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally submit to the CPUC, pursuant to the CPUC's rules and regulations, a pleading seeking the authority to terminate this Agreement.
- 4.4 Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.
- 4.5 Upon termination of this Agreement, the Generating Facility will be disconnected from the Liberty Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS

- 5.1 Requirements for Parallel Operation. Liberty has the right to provide requirements, consistent with Good Utility Practices, that EP must meet before Liberty authorizes the Generating Facility to initiate parallel operation with the Liberty Distribution System.
- 5.2 Parallel Operation Obligations. Once Liberty has authorized the Generating Facility to commence parallel operation, the EP shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable balancing authority area, including, but not limited to the rules and procedures concerning the operation of generation set forth in Rule 21.
- 5.3 The electric power produced by EP's Generating Facility shall be used solely to (i) serve electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the PUC, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits); or (ii) be delivered, consistent with the other terms of this Agreement, to the Liberty Distribution System. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require Liberty to purchase, transmit, distribute, or store the electrical power produced by EP's Generating Facility.
- 5.4 If EP declares that its Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PUC (or any successor definition of "Cogeneration") ("Cogeneration Requirements"), EP warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet such Cogeneration Requirements. If EP becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, EP shall promptly provide Liberty with Notice of such change pursuant to Section 9.1 below.

(Continued)

(N)

(N)

(N)

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS (continued)

If at any time during the term of this Agreement Liberty determines in its sole discretion that EP's Generating Facility may no longer meet the Cogeneration Requirements, Liberty may require EP to provide evidence that its Generating Facility continues to meet the Cogeneration Requirements within 15 Business Days of Liberty's request for such evidence. Additionally, Liberty may periodically (typically, once per year) inspect EP's Generating Facility and/or require documentation from EP to monitor the Generating Facility's compliance with Section 218.5 of the PUC. If Liberty determines in its sole judgment that EP either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as EP again demonstrates to Liberty's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the "Status Change").

5.4.1 Liberty shall revise its records and the administration of this Agreement to reflect the Status Change and provide Notice to EP of the Status Change pursuant to Section 9.1 below. This Notice shall specify the effective date of the Status Change. This date shall be the first day of the calendar year for which Liberty determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements.

5.4.2 Any amounts to be paid or refunded by EP, as may be invoiced by Liberty pursuant to the terms of Section 5.2, shall be paid to Liberty within 30 days of EP's receipt of such invoice.

6. INTERCONNECTION FACILITIES

6.1 EP and/or Liberty, as appropriate, shall provide Interconnection Facilities that adequately protect Liberty's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of EP's Generating Facility.

6.2 EP shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that EP owns.

6.3 If the provisions of Liberty's Rule 21, or any other tariff or rule approved by the CPUC, requires Liberty to own and operate a portion of the Interconnection Facilities, EP and Liberty shall promptly execute an *Interconnection Facilities Financing and Operation Agreement* that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This *Interconnection Facilities Financing and Operation Agreement* shall be attached to and made a part of this Agreement as Appendix C.

(N)

7. LIMITATION OF LIABILITY

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

8. INSURANCE

8.1 In connection with EP's performance of its duties and obligations under this Agreement, EP shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is greater than one hundred (100) kW;
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is twenty (20) kW or less.
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is ten (10) kW or less and EP's Generating Facility is connected to an account receiving residential service from Liberty.

Such general liability insurance shall include coverage for "Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations."

8.2 The general liability insurance required in Section 8.1 shall, by endorsement to the policy or policies, (a) include Liberty as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Liberty shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Liberty prior to cancellation, termination, alteration, or material change of such insurance.

8.3 Evidence of the insurance required in Section 8.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Liberty.

(Continued)

(N)

(N)

8. INSURANCE (Continued)

8.4 EP shall furnish the required insurance certificates and endorsements to Liberty prior to Initial Operation of the Generating Facility. Thereafter, Liberty shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.

8.5 If EP is self-insured with an established record of self-insurance, EP may comply with the following in lieu of Sections 8.1 through 8.3:

(a) EP shall provide to Liberty, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 8.1.

(b) If EP ceases to self-insure to the level required hereunder, or if EP are unable to provide continuing evidence of EP's ability to self-insure, EP agrees to immediately obtain the coverage required under Section 8.1.

8.6 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Liberty Utilities (CalPeco Electric) LLC

Attention: _____

(N)

(N)

9. NOTICES

9.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to Liberty: Liberty Utilities (CalPeco Electric) LLC

Attention: _____

Phone: () _____

FAX: () _____

If to EP: EP Name

Address: _____

City: _____

Phone: () _____

FAX: () _____

9.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 9.1.

9.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

10. REVIEW OF RECORDS AND DATA

Liberty shall have the right to review and obtain copies of EP's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to EP's Generating Facility or its interconnection with Liberty's Distribution System.

11. ASSIGNMENT

EP shall not voluntarily assign its rights nor delegate its duties under this Agreement without Liberty's written consent. Any assignment or delegation EP makes without Liberty's written consent shall not be valid. Liberty shall not unreasonably withhold its consent to EP's assignment of this Agreement.

(N)

(N)

12. 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.

13. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF LIBERTY'S TARIFFS AND RULES

- 13.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.
- 13.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.
- 13.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by Liberty, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.
- 13.4 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

14. AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

15. ENTIRE AGREEMENT

This Agreement, including any incorporated tariff schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated tariff schedules and rules.

(N)

(N)

16. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

EP NAME	LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
By: <u>SAMPLE</u>	By: <u>SAMPLE</u>
Nam _____	Name: _____
Title: _____	Title: _____
Date _____	Date: _____

(N)

(N)

APPENDIX A

**DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM,
(Provided by EP)**

11

(N)

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

(N)

(N)

APPENDIX B

RULES: "2" and "21"

TARIFF SCHEDULE: "S"- Standby

TARIFF SCHEDULES:

(Note: Liberty's tariffs are included for reference only and shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.)

(N)

(N)

APPENDIX C
(When Applicable)

INTERCONNECTION FACILITIES
FINANCING AND OWNERSHIP
AGREEMENT

Advice Letter No. 61-E

Issued by
Gregory S. Sorensen
Name

Date Filed August 23, 2016

Decision No. _____

President
Title

Effective September 22, 2016

Resolution No. _____

(N)

REDLINED VERSION OF
TARIFF SHEETS

RULE 21
GENERATING FACILITY INTERCONNECTIONS

A. APPLICABILITY AND INTRODUCTION

1. Applicability. This Rule describes the interconnection, operating and metering requirements for Generating Facilities that are intended to be connected to the Distribution System over which the California Public Utilities Commission (CPUC) has jurisdiction. Subject to the requirements of this Rule, Liberty Utilities (CalPeco Electric) LLC ("Liberty") will allow the interconnection of Generating Facilities with its Distribution System.
2. Definitions. Capitalized terms used in this Rule, and not otherwise defined, shall have the meaning ascribed to such terms in Section H. The definitions in the Rule shall only apply to this Rule and shall not apply to Liberty's other tariffs.
3. Enabling Documents. It is contemplated that the Applicant will be required to execute various enabling documents, such as the Application and Interconnection Agreement. Pro forma Interconnection Agreements for Electricity Producers, both non-exporting and exporting, are provided. Such documents shall be in the form on file with the CPUC, as may be amended from time to time.

(T)

B. GENERAL RULES, RIGHTS AND OBLIGATIONS

1. Authorization Required to Interconnect. An Electricity Producer must comply with this Rule, form an Interconnection Agreement with Liberty, and receive Liberty's express written permission to interconnect before connecting or operating a Generating Facility in parallel with Liberty's Distribution System. Liberty shall apply this Rule in a non-discriminatory manner and shall not unreasonably withhold its permission to interconnect an Electric Producer's Generating Facility.
2. Separate Arrangements Required for Other Services. An Electricity Producer requiring other electric services from Liberty including, but not limited to, Distribution Service provided by Liberty during periods of curtailment or interruption of a Generating Facility, must enter into separate arrangements with Liberty for such services in accordance with CPUC approved tariffs.
3. Transmission Service Not Provided with Interconnection. Interconnection with Liberty's Distribution System under this Rule does not provide an Electricity Producer any rights to utilize Liberty's Distribution System for the transmission or distribution of electric power, nor does it limit those rights.

(Continued)

Issued by

Advice Letter No. 2861-E Michael R Smart Gregory S. Sorensen Date Filed August 23, 2016 July 15, 2013

Decision No. _____ Name President Effective Septemer 22, 2016 July 15, 2013

Title

Resolution No. _____

PROPOSED
GENERATING FACILITY
INTERCONNECTION AGREEMENT (NON-EXPORT)

(T)

This Generating Facility Interconnection Agreement ("Agreement") is entered into by and between Electrical Producer's Name ("Electricity Producer" or "EP"), and Liberty Utilities (CalPeco Electric) LLC ("Liberty"). EP and Liberty are sometimes also referred to in this Agreement jointly as "Parties" or individually as "Party."

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

1.1 This Agreement provides for EP to interconnect and operate a Generating Facility in parallel with Liberty's Distribution System to serve the electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the California Public Utilities Code, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits).

1.2 Purpose. This Agreement incorporates in its entirety Liberty's California Public Utilities Commission ("CPUC") approved Electric Rule 21 ("Rule 21"), subject to any modifications the CPUC may direct in the exercise of its jurisdiction. This Agreement governs the terms and conditions under which the EP's Generating Facility will interconnect with, and operate in parallel with, the Liberty Distribution System. In the event of inconsistency between this Agreement and the terms of Rule 21, the provisions of Rule 21 shall control.

1.3 No Agreement to Purchase or Deliver Power. This Agreement does not constitute an agreement by Liberty either to purchase or to deliver the EP's power. The purchase or delivery of power and other services that the EP may require will be covered under separate agreements, if any. The EP will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.

1.4 Limitations. Nothing in this Agreement is intended to affect any other agreement between Liberty and the EP.

(T)

2. SUMMARY AND DESCRIPTION OF EP's GENERATING FACILITY

2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how EP's Generating Facility and loads are interconnected with Liberty's Distribution System, is attached to and made a part of this Agreement as Appendix A.

2.2 Generating Facility identification number: _____ (Assigned by Liberty)

2.3 Liberty's customer electric service account number: _____ (Assigned by Liberty)

Issued by

Advice Letter No. 6128-E Gregory S. SorensenMichael R. Smart Date Filed July 15, 2013 August 23, 2016

Name

Decision No. _____ President _____ Effective September 22, 2016 July 15, 2013

Title

Resolution No. _____

2.4 Name and address used by Liberty to locate the electric service account used to interconnect the Generating Facility with Liberty's Distribution System:

2.5 The Gross Nameplate Rating of the Generating Facility is: _____ kW.

2.6 The Net Nameplate Rating of the Generating Facility is _____ kW.

2.7 The expected annual energy production of the Generating Facility is _____ kWh.

(Continued)

Advice Letter No. 6128-E Issued by Gregory S. Sorensen ~~Michael R. Smart~~ Date Filed July 15, 2013 ~~August 23, 2016~~

Decision No. _____ Name President Effective September 22, 2016 ~~July 15, 2013~~

Title

Resolution No. _____

2. SUMMARY AND DESCRIPTION OF EP's GENERATING FACILITY (Continued)

~~2.8~~ ~~2.8~~ For the purpose of securing the Competition Transition Charge exemption available under Section 372 of the California Public Utilities Code ("PUC"), EP hereby declares that the Generating Facility o does / o does not meet the requirements for "Cogeneration" as such term is used in Section 218.5 of the California Public Utilities Code.

(T)

~~2.92.8~~ The Generating Facility's expected date of Initial Operation is _____.
The _____ expected date of Initial Operation shall be within two years of the date of this Agreement.

3. DOCUMENTS INCLUDED; DEFINED TERMS

3.1 This Agreement includes the following exhibits which are specifically incorporated herein and made a part of this Agreement by this reference:

- Appendix A- Description of Generating Facility and Single-Line Diagram
- Appendix B- Copies of Rules 2 and 21 and other selected rules and tariffs of Liberty
- Appendix C (When applicable) Copy of Interconnection Facility Financing and Ownership Agreement

3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in Rule 21 of Liberty's tariffs.

4. TERM AND TERMINATION

4.1 This Agreement shall become effective as of the last date entered in Section 16, below. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:

- (a) The Parties agree in writing to terminate the Agreement; or
- (b) At 12:01 A.M. on the ~~61st~~ 31st day after EP or Liberty provides written Notice (pursuant to Section 9, below) to the other Party of EP's or Liberty's intent to terminate this Agreement.

(T)

4.2 EP may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for any reason. Liberty may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for one or more of the following reasons:

- (a) A change in applicable rules, tariffs, and regulations, as approved or directed by the CPUC, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects Liberty's ability or obligation to perform Liberty's duties under this Agreement; or,

(Continued)

Advice Letter No. 6128-E Issued by Gregory S. Sorensen ~~Michael R Smart~~ Date Filed July 15, 2013 August 23, 2016

Decision No. _____ Name President Effective September 22, 2016 July 15, 2013

Title _____ Resolution No. _____

4. TERM AND TERMINATION (Continued)

- (b) EP fails to take all corrective actions specified in Liberty’s Notice that EP’s Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
- (c) EP fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.9, above, as the Generating Facility’s expected date of Initial Operation; or,
- (d) EP abandons the Generating Facility. Liberty shall deem the Generating Facility to be abandoned if Liberty determines, in its sole opinion, the Generating Facility is non-operational and EP does not provide a substantive response to Liberty’s Notice of intent to terminate this Agreement as a result of EP’s apparent abandonment of the Generating Facility affirming EP’s intent and ability to continue to operate the Generating Facility.

4.3 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally ~~file with~~submit to the CPUC, pursuant to the CPUC’s rules and regulations, ~~an application a pleading seeking the authority~~ to terminate this Agreement.

4.4 Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.

4.5 Upon termination of this Agreement, the Generating Facility will be disconnected from the Liberty Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party’s Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS

5.1 Requirements for Parallel Operation. Liberty has the right to provide requirements, consistent with Good Utility Practices, that EP must meet before Liberty authorizes the Generating Facility to initiate parallel operation with the Liberty Distribution System.

5.2 Parallel Operation Obligations. Once Liberty has authorized the Generating Facility to commence parallel operation, the EP shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable balancing authority area, including, but not limited to the rules and procedures concerning the operation of generation set forth in Rule 21.

Issued by

Advice Letter No. 6128-E Gregory S. SorensenMichael R. Smart Date Filed July 15, 2013 August 23, 2016

Decision No. _____ Name _____ President _____ Effective July 15, 2013 September 22, 2016

Title

Resolution No. _____

(T)

(T)

(T)

~~5.15.3~~ The electric power produced by EP's Generating Facility shall be used solely to serve electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the PUC, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits). EP shall attempt in good faith to regulate the electric power output of EP's Generating Facility so as to prevent the flow of electric energy from the Generating Facility to Liberty's electric system. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require Liberty to receive, purchase, transmit, distribute, or store the electrical power produced by EP's Generating Facility.

~~5.42~~ If EP declares that its Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PUC (or any successor definition of "Cogeneration") ("Cogeneration Requirements"), EP warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet such Cogeneration Requirements. If EP becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, EP shall promptly provide Liberty with Notice of such change pursuant to Section 9.1 below.

(Continued)

Advice Letter No. 6128-E Issued by Gregory S. Sorensen ~~Michael R. Smart~~ Date Filed July 15, 2013 ~~August 23, 2016~~

Decision No. _____ Name President Effective July 15, 2013 ~~September 22, 2016~~

Title

Resolution No. _____

**5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS
(Continued)**

5.42 (Continued)

If at any time during the term of this Agreement Liberty determines in its sole discretion that EP's Generating Facility may no longer meet the Cogeneration Requirements, Liberty may require EP to provide evidence that its Generating Facility continues to meet the Cogeneration Requirements within 15 business days of Liberty's request for such evidence. Additionally, Liberty may periodically (typically, once per year) inspect EP's Generating Facility and/or require documentation from EP to monitor the Generating Facility's compliance with Section 218.5 of the PUC. If Liberty determines in its sole judgment that EP either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as EP again demonstrates to Liberty's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the "Status Change").

5.42.1 Liberty shall revise its records and the administration of this Agreement to reflect the Status Change and provide Notice to EP of the Status Change pursuant to Section 9.1 below. This Notice shall specify the effective date of the Status Change. This date shall be the first day of the calendar year for which Liberty determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements. ~~Liberty's Notice shall include an invoice for Competition Transition Charges ("CTCs") that were not previously billed during the period between the effective date of the Status Change and the date of the Notice in reliance upon EP's representations that the Generating Facility complied with the Cogeneration Requirements and therefore was eligible for the exemption from CTCs available under Section 372 of the PUC.~~

5.42.2 Any amounts to be paid or refunded by EP, as may be invoiced by Liberty pursuant to the terms of Section 5.2, shall be paid to Liberty within 30 days of EP's receipt of such invoice.

6. INTERCONNECTION FACILITIES

6.1 EP and/or Liberty, as appropriate, shall provide Interconnection Facilities that adequately protect Liberty's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of EP's Generating Facility.

Advice Letter No. 2861-E Issued by Michael R. Smart Gregory S. Sorensen Date Filed July 15, 2013
August 23, 2016

Decision No. _____ Name President Effective July 15, 2013
2016 _____ Title _____

Resolution No. _____

(T)

6. INTERCONNECTION FACILITIES (Continued)

- 6.2 EP shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that EP owns.
- 6.3 If the provisions of Liberty’s Rule 21, or any other tariff or rule approved by the CPUC, requires Liberty to own and operate a portion of the Interconnection Facilities, EP and Liberty shall promptly execute an *Interconnection Facilities Financing and Operation Agreement* that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This *Interconnection Facilities Financing and Operation Agreement* shall be attached to and made a part of this Agreement as Appendix C.

7. LIMITATION OF LIABILITY

Each Party’s liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney’s fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

(T)

8. INSURANCE

- 8.1 In connection with EP’s performance of its duties and obligations under this Agreement, EP shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:
 - (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is greater than one hundred (100) kW;
 - (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
 - (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is twenty (20) kW or less.
 - (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of EP’s Generating Facility is ten (10) kW or less and EP’s Generating Facility is connected to an account receiving residential service from Liberty.

Such general liability insurance shall include coverage for “Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.”

(Continued)

Advice Letter No. 2861-E Issued by Michael R. Smart Gregory S. Sorensen Date Filed August 23, 2016
~~Michael R. Smart~~

Decision No. _____ Name _____ Effective September 22, 2016
2013 _____ President _____ ~~July 15,~~

Title

Resolution No. _____

8. INSURANCE (Continued)

8.2 The general liability insurance required in Section 8.1 shall, by endorsement to the policy or policies, (a) include Liberty as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Liberty shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Liberty prior to cancellation, termination, alteration, or material change of such insurance.

~~8.3 If EP's Generating Facility is connected to an account receiving residential service from Liberty and the requirement of Section 8.2(a) prevents EP from obtaining the insurance required in Section 8.1, then upon EP's written Notice to Liberty in accordance with Section 9.1, the requirements of Section 8.2(a) shall be waived.~~

(T)

8.43 Evidence of the insurance required in Section 8.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Liberty.

8.54 EP shall furnish the required insurance certificates and endorsements to Liberty prior to Initial Operation of the Generating Facility. Thereafter, Liberty shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.

8.65 If EP is self-insured with an established record of self-insurance, EP may comply with the following in lieu of Sections 8.1 through 8.43:

(T)

- (a) EP shall provide to Liberty, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 8.1.
- (b) If EP ceases to self-insure to the level required hereunder, or if EP are unable to provide continuing evidence of EP's ability to self-insure, EP agrees to immediately obtain the coverage required under Section 8.1.

8.76 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Liberty Utilities (CalPeco Electric) LLC
Attention: _____

(Continued)

Advice Letter No. 2861-E Issued by Michael R. Smart
Gregory S. Sorensen Date Filed July 15, 2013
August 23, 2016

Decision No. _____ Name President Effective July 15, 2013
September 22, 2016

Title

Resolution No. _____

GENERATING FACILITY
INTERCONNECTION AGREEMENT
(EXPORT)

This Generating Facility Interconnection Agreement (“Agreement”) is entered into by and between Electrical Producer’s Name (“Electricity Producer” or “EP”), and Liberty Utilities (CalPeco Electric) LLC (“Liberty”). EP and Liberty are sometimes also referred to in this Agreement jointly as “Parties” or individually as “Party.”

In consideration of the mutual promises and obligations stated in this Agreement and its attachments, the Parties agree as follows:

1. SCOPE AND PURPOSE

- 1.1 This Agreement provides for EP to interconnect and operate a Generating Facility in parallel with Liberty’s Distribution System: (i) to serve the electrical loads connected to the electric service account that Liberty uses to interconnect EP’s Generating Facility (or, where permitted under Section 218 of the California Public Utilities Code, the electric loads of an on-site or neighboring party lawfully connected to EP’s Generating Facility through EP’s circuits); and (ii) in instances in which the generation from EP’s Generating Facility exceeds EP’s electrical loads to export such excess energy into Liberty’s Distribution System.
- 1.2 Purpose. This Agreement incorporates in its entirety Liberty’s California Public Utilities Commission (“CPUC”) approved Electric Rule 21 (“Rule 21”), subject to any modifications the CPUC may direct in the exercise of its jurisdiction. This Agreement governs the terms and conditions under which the EP’s Generating Facility will interconnect with, and operate in parallel with, the Liberty Distribution System. In the event of inconsistency between this Agreement and the terms of Rule 21, the provisions of Rule 21 shall control.
- 1.3 No Agreement to Purchase of Deliver Power. This Agreement does not constitute an agreement by Liberty either to purchase or to deliver the EP’s power. The purchase or delivery of power and other services that EP may require will be covered under separate agreements, if any. The EP will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity.
- 1.4. Limitations. Nothing in this Agreement is intended to affect any other agreement between Liberty and the EP.

2. SUMMARY AND DESCRIPTION OF EP’s GENERATING FACILITY

- 2.1 A description of the Generating Facility, including a summary of its significant components and a single-line diagram showing the general arrangement of how EP’s Generating Facility and loads are interconnected with Liberty’s Distribution System, is attached to and made a part of this Agreement as Appendix A.
- 2.2 Generating Facility identification number: _____ (Assigned by Liberty)

(N)

(N)

2.3 Liberty's customer electric service account number: _____ (Assigned by Liberty)

2.4 Name and address used by Liberty to locate the electric service account used to interconnect the Generating Facility with Liberty's Distribution System:

2.5 The Gross Nameplate Rating of the Generating Facility is: _____ kW.

2.6 The Net Nameplate Rating of the Generating Facility is _____ kW.

2.7 The expected annual energy production of the Generating Facility is _____ kWh.

2.8 Notwithstanding any other provision of this Agreement, in no event and at no time shall EP seek to deliver to the Liberty Distribution System more than the KW amount set forth in Section 2.6 and Liberty shall have no obligation to accept into the Liberty Distribution System more than such amount.

2.9 The Generating Facility's expected date of Initial Operation is _____.
The expected date of Initial Operation shall be within two years of the date of this Agreement.

3. DOCUMENTS INCLUDED; DEFINED TERMS

3.1 This Agreement includes the following exhibits which are specifically incorporated herein and made a part of this Agreement by this reference:

Appendix A- Description of Generating Facility and Single-Line Diagram

Appendix B- Copies of Rules 2 and 21 and other selected rules and tariffs of Liberty

Appendix C (When applicable) Copy of Interconnection Facility Financing and Ownership Agreement

3.2 When initially capitalized, whether in the singular or in the plural, the terms used herein shall have the meanings assigned to them either in this Agreement or in Rule 21 of Liberty's tariffs.

(N)

(N)

Advice Letter No. 61-E Issued by Gregory S. Sorensen Date Filed August 23, 2016

Decision No. _____ Name President Effective September 22, 2016

Title _____ Resolution No. _____

4. TERM AND TERMINATION

- 4.1 This Agreement shall become effective as of the last date entered in Section 16, below. The Agreement shall continue in full force and effect until the earliest date that one of the following events occurs:
- (a) The Parties agree in writing to terminate the Agreement; or
 - (b) At 12:01 A.M. on the 31st day after EP or Liberty provides written Notice (pursuant to Section 9, below) to the other Party of EP's or Liberty's intent to terminate this Agreement.
- 4.2 EP may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for any reason. Liberty may elect to terminate this Agreement pursuant to the terms of Section 4.1(b) for one or more of the following reasons:
- (a) A change in applicable rules, tariffs, and regulations, as approved or directed by the CPUC, or a change in any local, state or federal law, statute or regulation, either of which materially alters or otherwise affects Liberty's ability or obligation to perform Liberty's duties under this Agreement; or,
 - (b) EP fails to take all corrective actions specified in Liberty's Notice that EP's Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
 - (c) EP fails to interconnect and operate the Generating Facility per the terms of this Agreement prior to 120 days after the date set forth in Section 2.9, above, as the Generating Facility's expected date of Initial Operation; or,
 - (d) EP abandons the Generating Facility. Liberty shall deem the Generating Facility to be abandoned if Liberty determines, in its sole opinion, the Generating Facility is non-operational and EP does not provide a substantive response to Liberty's Notice of intent to terminate this Agreement as a result of EP's apparent abandonment of the Generating Facility affirming EP's intent and ability to continue to operate the Generating Facility.
- 4.3 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally submit to the CPUC, pursuant to the CPUC's rules and regulations, a pleading seeking the authority to terminate this Agreement.
- 4.4 Any agreement attached to and incorporated into this Agreement shall terminate concurrently with this Agreement unless the Parties have agreed otherwise in writing.
- 4.5 Upon termination of this Agreement, the Generating Facility will be disconnected from the Liberty Distribution System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the nonterminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

Issued by				
Advice Letter No.	61-E	Gregory S. Sorensen	Date Filed	August 23, 2016
		Name		
Decision No.		President	Effective	September 22, 2016
		Title		
		Resolution No.		

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS

5.1 Requirements for Parallel Operation. Liberty has the right to provide requirements, consistent with Good Utility Practices, that EP must meet before Liberty authorizes the Generating Facility to initiate parallel operation with the Liberty Distribution System.

5.2 Parallel Operation Obligations. Once Liberty has authorized the Generating Facility to commence parallel operation, the EP shall abide by all rules and procedures pertaining to the parallel operation of the Generating Facility in the applicable balancing authority area, including, but not limited to the rules and procedures concerning the operation of generation set forth in Rule 21.

5.3 The electric power produced by EP's Generating Facility shall be used solely to (i) serve electrical loads connected to the electric service account that Liberty uses to interconnect EP's Generating Facility (or, where permitted under Section 218 of the PUC, the electric loads of an on-site or neighboring party lawfully connected to EP's Generating Facility through EP's circuits); or (ii) be delivered, consistent with the other terms of this Agreement, to the Liberty Distribution System. Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require Liberty to purchase, transmit, distribute, or store the electrical power produced by EP's Generating Facility.

5.4 If EP declares that its Generating Facility meets the requirements for "Cogeneration" as such term is used in Section 218.5 of the PUC (or any successor definition of "Cogeneration") ("Cogeneration Requirements"), EP warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement, its Generating Facility shall continue to meet such Cogeneration Requirements. If EP becomes aware that its Generating Facility has ceased to meet the Cogeneration Requirements, EP shall promptly provide Liberty with Notice of such change pursuant to Section 9.1 below.

(Continued)

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E	Name	
Decision No.		President	Effective September 22, 2016
		Title	
		Resolution No.	

(N)

(N)

(N)

5. GENERATING FACILITY OPERATION AND CERTIFICATION REQUIREMENTS (continued)

If at any time during the term of this Agreement Liberty determines in its sole discretion that EP's Generating Facility may no longer meet the Cogeneration Requirements, Liberty may require EP to provide evidence that its Generating Facility continues to meet the Cogeneration Requirements within 15 Business Days of Liberty's request for such evidence. Additionally, Liberty may periodically (typically, once per year) inspect EP's Generating Facility and/or require documentation from EP to monitor the Generating Facility's compliance with Section 218.5 of the PUC. If Liberty determines in its sole judgment that EP either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the Cogeneration Requirements, then the Cogeneration status of the Generating Facility shall be deemed ineffective until such time as EP again demonstrates to Liberty's reasonable satisfaction that the Generating Facility meets the requirements for a Cogeneration facility (the "Status Change").

5.4.1 Liberty shall revise its records and the administration of this Agreement to reflect the Status Change and provide Notice to EP of the Status Change pursuant to Section 9.1 below. This Notice shall specify the effective date of the Status Change. This date shall be the first day of the calendar year for which Liberty determines in its sole discretion that the Generating Facility first ceased to meet the Cogeneration Requirements.

5.4.2 Any amounts to be paid or refunded by EP, as may be invoiced by Liberty pursuant to the terms of Section 5.2, shall be paid to Liberty within 30 days of EP's receipt of such invoice.

6. INTERCONNECTION FACILITIES

6.1 EP and/or Liberty, as appropriate, shall provide Interconnection Facilities that adequately protect Liberty's Distribution System, personnel, and other persons from damage or injury, which may be caused by the operation of EP's Generating Facility.

6.2 EP shall be solely responsible for the costs, design, purchase, construction, operation, and maintenance of the Interconnection Facilities that EP owns.

6.3 If the provisions of Liberty's Rule 21, or any other tariff or rule approved by the CPUC, requires Liberty to own and operate a portion of the Interconnection Facilities, EP and Liberty shall promptly execute an *Interconnection Facilities Financing and Operation Agreement* that establishes and allocates responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This *Interconnection Facilities Financing and Operation Agreement* shall be attached to and made a part of this Agreement as Appendix C.

(N)

7. LIMITATION OF LIABILITY

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever.

8. INSURANCE

8.1 In connection with EP's performance of its duties and obligations under this Agreement, EP shall maintain, during the term of the Agreement, general liability insurance with a combined single limit of not less than:

- (a) Two million dollars (\$2,000,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is greater than one hundred (100) kW;
- (b) One million dollars (\$1,000,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is greater than twenty (20) kW and less than or equal to one hundred (100) kW; and
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is twenty (20) kW or less.
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of EP's Generating Facility is ten (10) kW or less and EP's Generating Facility is connected to an account receiving residential service from Liberty.

Such general liability insurance shall include coverage for "Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations."

8.2 The general liability insurance required in Section 8.1 shall, by endorsement to the policy or policies, (a) include Liberty as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that Liberty shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance; and (d) provide for thirty (30) calendar days' written notice to Liberty prior to cancellation, termination, alteration, or material change of such insurance.

8.3 Evidence of the insurance required in Section 8.2 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by Liberty.

(Continued)

Issued by				
Advice Letter No.	61-E	Gregory S. Sorensen	Date Filed	August 23, 2016
		Name		
Decision No.		President	Effective	September 22, 2016
		Title		
		Resolution No.		

(N)

(N)

8. INSURANCE (Continued)

8.4 EP shall furnish the required insurance certificates and endorsements to Liberty prior to Initial Operation of the Generating Facility. Thereafter, Liberty shall have the right to periodically inspect or obtain a copy of the original policy or policies of insurance.

8.5 If EP is self-insured with an established record of self-insurance, EP may comply with the following in lieu of Sections 8.1 through 8.3:

(a) EP shall provide to Liberty, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure to a level of coverage equivalent to that required under Section 8.1.

(b) If EP ceases to self-insure to the level required hereunder, or if EP are unable to provide continuing evidence of EP's ability to self-insure, EP agrees to immediately obtain the coverage required under Section 8.1.

8.6 All insurance certificates, statements of self insurance, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

Liberty Utilities (CalPeco Electric) LLC

Attention: _____

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E	Name	
Decision No.		President	Effective September 22, 2016
		Title	
		Resolution No.	

(N)

(N)

9. NOTICES

9.1 Any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person or sent by first class mail, postage prepaid, to the person specified below:

If to Liberty: Liberty Utilities (CalPeco Electric) LLC
Attention:

Phone: () _____
FAX: () _____

If to EP: EP Name _____
Address: _____
City: _____
Phone: () _____
FAX: () _____

9.2 A Party may change its address for Notices at any time by providing the other Party Notice of the change in accordance with Section 9.1.

9.3 The Parties may also designate operating representatives to conduct the daily communications, which may be necessary or convenient for the administration of this Agreement. Such designations, including names, addresses, and phone numbers may be communicated or revised by one Party's Notice to the other.

10. REVIEW OF RECORDS AND DATA

Liberty shall have the right to review and obtain copies of EP's operations and maintenance records, logs, or other information such as, unit availability, maintenance outages, circuit breaker operation requiring manual reset, relay targets and unusual events pertaining to EP's Generating Facility or its interconnection with Liberty's Distribution System.

11. ASSIGNMENT

EP shall not voluntarily assign its rights nor delegate its duties under this Agreement without Liberty's written consent. Any assignment or delegation EP makes without Liberty's written consent shall not be valid. Liberty shall not unreasonably withhold its consent to EP's assignment of this Agreement.

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E		
Decision No.	President	Effective	September 22, 2016
	Resolution No.		

(N)

(N)

12. 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.

13. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF LIBERTY'S TARIFFS AND RULES

13.1 This Agreement shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California without giving effect to choice of law provisions that might apply to the law of a different jurisdiction.

13.2 This Agreement shall, at all times, be subject to such changes or modifications by the CPUC as it may from time to time direct in the exercise of its jurisdiction.

13.3 The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the tariff schedules and rules applicable to the electric service provided by Liberty, which tariff schedules and rules are hereby incorporated into this Agreement by this reference.

13.4 Notwithstanding any other provisions of this Agreement, Liberty shall have the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for change in rates, charges, classification, service, tariff or rule or any agreement relating thereto.

14. AMENDMENT AND MODIFICATION

This Agreement can only be amended or modified by a writing signed by both Parties.

15. ENTIRE AGREEMENT

This Agreement, including any incorporated tariff schedules and rules, contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Agreement. Each party also represents that in entering into this Agreement, it has not relied on any promise, inducement, representation, warranty, agreement or other statement not set forth in this Agreement or in the incorporated tariff schedules and rules.

Issued by			
Advice Letter No.	61-E	Gregory S. Sorensen	Date Filed August 23, 2016
Decision No.		President	Effective September 22, 2016
		Title	
		Resolution No.	

(N)

(N)

16. SIGNATURES

IN WITNESS WHEREOF, the Parties hereto have caused two originals of this Agreement to be executed by their duly authorized representatives. This Agreement is effective as of the last date set forth below.

<u>EP NAME</u>	<u>LIBERTY UTILITIES (CALPECO ELECTRIC) LLC</u>
By: <u>SAMPLE</u>	By: <u>SAMPLE</u>
<u>Nam</u> _____	<u>Name:</u> _____
<u>Title:</u> _____	<u>Title:</u> _____
<u>Date</u> _____	<u>Date:</u> _____

Issued by	_____	_____	_____
Advice Letter No.	<u>61-E</u>	<u>Gregory S. Sorensen</u>	<u>Date Filed August 23, 2016</u>
		<small>Name</small>	
Decision No.	_____	<u>President</u>	<u>Effective September 22, 2016</u>
		<small>Title</small>	
		<u>Resolution No.</u>	_____

(N)

(N)

(N)

APPENDIX A

DESCRIPTION OF GENERATING FACILITY
AND SINGLE-LINE DIAGRAM,
(Provided by EP)

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E	Name	
Decision No.	President	Effective	September 22, 2016
	Title		
	Resolution No.		

(N)

(N)

APPENDIX B

RULES: "2" and "21"

TARIFF SCHEDULE: "S"- Standby

TARIFF SCHEDULES:

(Note: Liberty's tariffs are included for reference only and shall at all times be subject to such changes or modifications by the CPUC as the CPUC may, from time to time, direct in the exercise of its jurisdiction.)

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E		
	Name	Effective	September 22, 2016
Decision No.	President		
	Title		
	Resolution No.		

(N)

(N)

APPENDIX C
(When Applicable)

INTERCONNECTION FACILITIES
FINANCING AND OWNERSHIP
AGREEMENT

Issued by	Gregory S. Sorensen	Date Filed	August 23, 2016
Advice Letter No.	61-E		
	Name		
Decision No.	President	Effective	September 22, 2016
	Title		
	Resolution No.		

(N)