

**KOSCIUSKO REMC  
AGREEMENT FOR INTERCONNECTION  
OF  
DISTRIBUTED GENERATION**

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Kosciusko Rural Electric Membership Corporation, (“Cooperative”), a corporation organized under the laws of Indiana, and \_\_\_\_\_ (“Member”), each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

**1. Scope of Agreement.** This Agreement is intended to provide for the safe and orderly interconnection and operation of the Member’s 1 MW or smaller power generation system more fully described on the attached Exhibit A (“Generator”) and the electrical distribution facilities owned and operated by the Cooperative. This Agreement does not supersede any requirements of any of the Cooperative’s articles of incorporation, by-laws, applicable rate schedules, rules and regulations as the same may be amended from time to time by the Cooperative (the “Rules”) and which shall be controlling in the event of a conflict between this Agreement and such Rules.

**2. Establishment of Point of Interconnection:** The point where the electric energy first leaves the wires or facilities owned by the Cooperative and enters the wires or facilities provided by the member is the “Point of Interconnection.” Cooperative and Member agree to interconnect the Generator at the Point of Interconnection in accordance with the Cooperative’s Rules which are incorporated herein by reference. The Generator installation must also comply with the requirements of the current National Electric Code (“NEC”), National Electric Safety Code (“NESC”), and other applicable National, State, and local codes and ordinances.

**3. Responsibilities of Cooperative and Member for Installation, Operation and Maintenance of Facilities:** Member will, at the Member’s own expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for, the Generator, unless otherwise specified on Exhibit A. Member shall conduct operations of the Generator in compliance with all aspects of the Rules and in accordance with industry standard prudent engineering practices. Maintenance of the Generator shall be performed in accordance with the applicable manufacturers’ recommended maintenance schedule and procedures.

**4. Suspension of Interconnection:** It is intended that the interconnection of Member’s Generator to the Cooperative’s electric distribution system not compromise or damage the Cooperative’s electric distribution system or violate its protection or operational requirements. The operation of the Member’s Generator and interconnection facilities and the quality of electric energy supplied by Member to the Cooperative shall meet the standards as

specified by the Rules. If the operation of the Member's Generator or quality of electric energy supplied (in the case of power export) does not meet the standards as specified, then the Cooperative will notify the Member to take reasonable and expedient corrective action. The Cooperative shall have the right to disconnect the Member's Generator until compliance is reasonably demonstrated. Notwithstanding, the Cooperative may in its sole discretion disconnect the Member's Generator from the Cooperative's distribution system without notice if the operation of the Generator imposes a threat, in the Cooperative's sole judgment, to the Cooperative's distribution system, or to life and other property.

**5. Operator in Charge:** The Member is responsible for establishing operating procedures and standards for the operation of its Generator and to designate an "Operator in Charge" who will be responsible for the safe and reliable operation of the Generator. The Member shall ensure that the Operator in Charge of the Generator is competent in the operation of the Generator and is aware of the provisions of any operating agreements and regulations relating to the safe operation of electrical power systems. The Operator in Charge is the person identified by name or job title responsible for the real time operation of all electrical facilities related to the interconnection of the Generator owned by the Member.

**6. Testing and Testing Records:** The Member shall provide to the Cooperative all records of testing. Testing of protection systems shall be limited to records of compliance with standard acceptance procedures and by industry standards and practices. These records shall include testing at the start of commercial operation and periodic testing thereafter. Factory testing of pre-packaged Generators and the protective systems of small units shall be acceptable. In the case of a factory test, the Member needs to provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory. In addition, the settings of the equipment being installed are to be approved by the Cooperative prior to interconnection.

**7. Access:** Cooperative shall have access at reasonable times to the Generator whether before, during or after the time the Generator Facilities first produce energy, to perform reasonable on-site inspections to verify that the installation and operation of the Generator complies with the requirements of this Agreement and to verify the proper installation and continuing safe operation of the Generator. Cooperative shall also have at all times immediate access to breakers or any other equipment that will isolate the Generator from Cooperative's electric system. The cost of such inspection(s) shall be at Cooperative's expense; however, Cooperative shall not be responsible for any other cost Member may incur as a result of such inspection(s). The Cooperative assumes no liability in the event it exercises its rights under this Section.

**8. Maintenance Outages:** Maintenance outages will occasionally be required on the Cooperative's distribution system and the Cooperative will provide as much notice and planning as practical to minimize downtime. It is agreed that in some emergency cases such notice may not be practical. Compensation will not be made for unavailability of Cooperative's distribution facilities due to distribution system outages.

**9. Disconnection of Facilities** – Member retains the option to disconnect its Generator from the Cooperative's distribution system, provided that Member notifies the Cooperative of its intent to disconnect by giving the Cooperative at least ten (10) days' prior

written notice. Such disconnection shall not be a termination of this Agreement unless Member exercises rights under Section 13.

**10. Net Billing Rates and Procedures:** Cooperative will utilize a net billing process under the Cooperative's Rate Rider Schedule DG (for residential and small commercial loads less than 10 kW) or Rate Schedule I-DG (for loads exceeding 10 kW), as amended from time to time, for Generators interconnected with the Cooperative's distribution system. Cooperative will provide and maintain (at Member's expense) all metering equipment necessary to implement net billing pursuant to this Agreement and the appropriate rate schedule.

**11. Liability and Indemnification:** The Member assumes all responsibility for the electric service upon Member's premises at and from the Point of Interconnection and for the wires and equipment used in connection therewith; and Member will protect and save Cooperative harmless from all claims for injury or damage to persons or property, including but not limited to property of Member, occurring on or about Member's premises or at and from the Point of Interconnection or flow of electricity from Cooperative, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of the Cooperative. The Member will (a) pay the Cooperative for all damages to Cooperative's equipment, facilities, or distribution system, and (b) save and hold Cooperative harmless from all claims, demands, and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Member's Generator or the operation thereof. The Member shall also indemnify, defend and hold the Cooperative, its employees, contractors, members and agents ("Indemnities") harmless from and against all damages, losses, costs, expenses, and claims, including attorneys fees, incurred by the Indemnities for injury or damage to persons or property, including but not limited to the property of the Cooperative, which arise or result, directly or indirectly from the Member's ownership, operation and interconnection of the Member's Generator and interconnection facilities.

**12. Insurance:** The Member, at Member's own expense, shall secure and maintain in effect while interconnected to the Cooperative's distribution system Comprehensive General Liability Insurance and Contractual Liability Insurance insuring Member's indemnification obligations under Section 11 above, and bodily injury, death and property damage with a combined single limit for bodily injury and property damage of not less than one (1) million dollars for each occurrence. A Certificate of Insurance evidencing the requisite coverage shall be provided to the Cooperative prior to interconnecting to the Cooperative's distribution system. Member shall provide proof of insurance annually and at the request of the Cooperative. The Member will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect.

**13. Effective Term and Termination Rights:** This Agreement shall be effective upon execution by both Parties and shall continue in full force and effect so long as the Member's Generator is interconnected to the Cooperative's electric distribution system. This Agreement may be amended by the Cooperative without the consent of the Member upon 30 days prior written notice to the Member. This Agreement shall terminate on the date that the Member permanently de-installs its interconnection of its Generator with the Cooperative's system and provides notice thereof to the Cooperative, provided, however, any obligation contained herein which would naturally survive the termination of this Agreement, including but

not limited to the Member's indemnification obligations, shall survive the termination of this Agreement. This Agreement may also be terminated as follows: (a) Cooperative may terminate upon failure by the Member to generate energy from the Generator and deliver such energy to the Cooperative within six (6) months after completion of the interconnection; (b) Cooperative may terminate this Agreement by giving the Member at least thirty (30) days prior written notice that the other Party is in default of any of the terms and conditions of the Agreement or the Rules or any rate schedule, tariff, regulation, contract, or policy of the Cooperative, so long as the notice specifies the basis for termination and the default is not cured within such thirty (30) day period; (c) Cooperative may terminate by giving Member at least sixty (60) days notice in the event that there is a material change in an applicable law, or any requirement of the Cooperative's wholesale power supplier or of any transmission utility, independent system operator or regional transmission organization having responsibility for the operation of any part of the Cooperative's distribution system..

**14. Compliance with Laws and Rules:** Both the Cooperative and the Member shall be responsible for complying with all applicable federal and state laws, rules and regulations. The interconnection and services provided under this Agreement shall at all times be subject to the terms and conditions set forth in the Rules, which Rules are hereby incorporated into this Agreement by this reference. The Cooperative shall have the right to change any of the Rules at any time.

**15. Severability:** If any portion or provision of this Agreement is held or adjudged for any reason to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

**16. Entirety of Agreement and Prior Agreements Superseded:** This Agreement, including the Rules and all attached Exhibits, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein or in the member application, or other written information provided by the Member in compliance with the Rules. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

**17. Assignment:** At any time during the term of this Agreement, the Member may assign this Agreement to a corporation, an entity with limited liability or an individual (the "Assignee") to whom the Member transfers ownership of the Generator; provided that the member obtains the consent of the Cooperative in advance of the assignment. The Cooperative's consent will be based on a determination that the Assignee is financially and technically capable to assume ownership and/or operation of the Generator. The company or individual to which this Agreement is assigned will be responsible for the proper operation and maintenance of the Generator, and must agree in writing to be subject to all provisions of this Agreement.

**18. Notices:** Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Cooperative:           Kosciusko REMC  
  ATTN: President/CEO  
  370 S. 250 E.  
  Warsaw, IN 46582

(b) If to Member:               \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other Party.

**19. Force Majeure.** For purposes of this Agreement, the term "Force Majeure" means any cause or event not reasonably within the control of the Party claiming Force Majeure, including, but not limited to, the following: acts of God, strikes, lockouts, or other industrial disturbances; acts of public enemies; orders or permits or the absence of the necessary orders or permits of any kind which have been properly applied for from the government of the United States, the State of Indiana, any political subdivision or municipal subdivision or any of their departments, agencies or officials, or any civil or military authority; unavailability of a fuel or resource used in connection with the generation of electricity; extraordinary delay in transportation; unforeseen soil conditions; equipment, material, supplies, labor or machinery shortages; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; drought; arrest; war; civil disturbances; explosions; breakage or accident to machinery, transmission lines, pipes or canals; partial or entire failure of utilities; breach of contract by any supplier, contractor, subcontractor, laborer or materialman; sabotage; injunction; blight; famine; blockade; or quarantine.

If either Party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, both Parties shall be excused from whatever obligations under this Agreement are affected by the Force Majeure (other than the obligation to pay money) and shall not be liable or responsible for any delay in the performance of, or the inability to perform, any such obligations for so long as the Force Majeure continues. The Party suffering an occurrence of Force Majeure shall, as soon as is reasonably possible after such occurrence, give the other Party written notice describing the particulars of the occurrence and shall use commercially reasonable efforts to remedy its inability to perform; provided, however, that the settlement of any strike, walkout, lockout or other labor dispute shall be entirely within the discretion of the Party involved in such labor dispute.

**20. Limitations (No Third-Party Beneficiaries, Waiver, etc.):** This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of

this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

KOSCIUSKO REMC

MEMBER

BY: \_\_\_\_\_

BY: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

12/29/10

Sample

**EXHIBIT A**  
**GENERATOR INFORMATION**

**GENERATOR MODEL/NUMBER** \_\_\_\_\_

1. Manufacturer:
2. Generator location:
3. Delivery voltage:
4. One line diagram attached (check one):/\_\_\_\_\_ Yes / \_\_\_\_\_ No
5. Facilities to be furnished by Cooperative:
  
6. Facilities to be furnished by Member:
  
7. Cost Responsibility: *(If different from description on page 1, paragraph 3.)*
  
8. Supplemental terms and conditions attached (check one): / \_\_\_\_\_ Yes / \_\_\_\_\_ No

The "Operator in Charge" for Member is:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_