

ELECTRIC TARIFF



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Canceling		Revised	Sheet No.	<u>R-23.1</u>

Rule No. 23

SMALL GENERATOR FACILITY INTERCONNECTION – FACILITIES STUDY AGREEMENT

**Small Generator Facility Interconnection
Facilities Study Agreement**

This Small Generator Facility Interconnection Facilities Study Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and NorthWestern Corporation existing under the laws of the State of Delaware and doing business as NorthWestern Energy (“NorthWestern”), Interconnection Customer and NorthWestern each may be referred to as a “Party” or collectively as the “Parties”.

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generator Facility or generating capacity addition to an existing Small Generator Facility consistent with the Interconnection request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to Interconnect the Small Generator Facility with the NorthWestern system; and

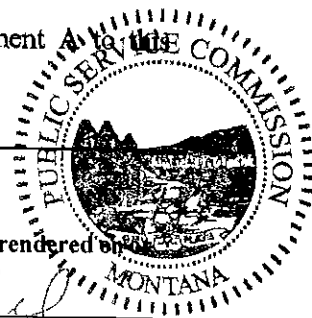
WHEREAS, NorthWestern has completed a System Impact Study (NorthWestern Electric Tariff Rule No. 22) and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested NorthWestern to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the System Impact Study to physically and electrically connect the Small Generator Facility with the NorthWestern system (the “Facilities Study”).

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or specified in the Agreement.
- 2.0 Interconnection Customer elects and NorthWestern shall cause the Facilities Study to be performed consistent with NorthWestern’s Electric Tariff Rule No. 17 Interconnection Procedures for Small Generators Other Than Qualifying Facilities on file with the Montana Public Service Commission (“MPSC”) and in accordance with the requirements of this Agreement.
- 3.0 The scope of the Facilities Study shall be subject to data provided in Attachment A to this Agreement.

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- 4.0 The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the System Impact Study. The Facilities Study shall also identify: (i) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment; (ii) the nature and estimated cost of NorthWestern's Interconnection facilities and upgrades necessary to accomplish the Interconnection; and (iii) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 NorthWestern may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generator Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated cost of the Facilities Study is required from the Interconnection Customer prior to commencement of the Facilities Study. NorthWestern estimates that the cost to perform the Facilities Study is \$10,000. Interconnection Customer shall provide a deposit in the amount of \$10,000.
- 7.0 In cases where upgrades are required, the Facilities Study will generally be completed and the results transmitted to the Interconnection Customer within 45 business days after Interconnection Customer's execution of this Agreement and delivery of the deposit. If NorthWestern is unable to complete the Facilities Study and the report will not be transmitted to the Interconnection Customer within the 45 business days, NorthWestern will notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.
- 8.0 Any Facilities Study fees shall be based on NorthWestern's actual costs and will be invoiced to the Interconnection Customer within 15 business days after the study is completed and delivered and will include a summary of professional time.
- 9.0 Interconnection Customer must pay any study costs that exceed the deposit without interest within 20 business days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, NorthWestern shall refund such excess within 20 business days of the invoice or resolution of any dispute without interest.
- 10.0 Governing Law and Dispute Resolution. The validity, interpretation, and enforcement of this Agreement and each of its provisions shall be governed by the laws of the State of Montana, without regard to its conflicts of law principles.

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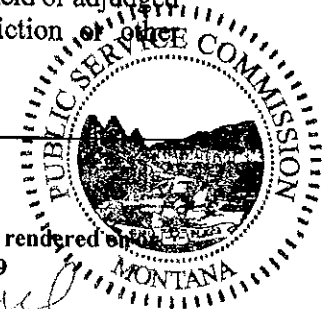
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The Parties agree to attempt to resolve all disputes arising out of the Interconnection process according to the provisions of this section. In the event of a dispute, either Party shall provide the other Party with a written notice of dispute. Such notice shall describe in detail the nature of the dispute. If the dispute has not been resolved within 2 business days after receipt of the notice: (i) a Party may refer an Interconnection dispute to the MPSC in accordance with ARM 38.5.8413; and (ii) with regard to other disputes arising under this Agreement, a Party may exercise rights and remedies it may have in equity or law consistent with the terms of this Agreement.

- 11.0 Amendment. The Parties may only amend this Agreement by a written instrument duly executed by both Parties.
- 12.0 No Third-Party Beneficiaries. 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, their successors in interest and where permitted, their assigns.
- 13.0 Waiver.
 - 13.1 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 a waiver of any obligation, right, or duty of, or imposed upon, such Party.
 - 13.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer’s legal rights to obtain an Interconnection from NorthWestern. Any waiver of this Agreement shall, if requested, be provided in writing.
- 14.0 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 15.0 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 16.0 Severability. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other

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governmental authority: (i) such portion or provision shall be deemed separate and independent; (ii) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling; and (iii) the remainder of this Agreement shall remain in full force and effect.

17.0 Subcontractors. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement – provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

18.0 Assignment. This Agreement may be assigned by either Party upon 15 business days' prior written notice and opportunity to object by the other Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

NORTHWESTERN CORPORATION

INTERCONNECTION CUSTOMER

Name: _____
(Print)

Name: _____
(Print)

Title: (if applicable): _____

Title: (if applicable): _____

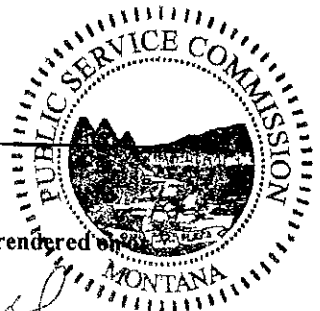
Signature: _____

Signature: _____

Date: _____

Date: _____

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Attachment A

**Data to be Provided by the Interconnection Customer
with the Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities.

On the one-line diagram, indicate the generation capacity attached at each metering location.
(Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT)
Include the transformer location and inverter location (if applicable).

One set of metering is required for each generation connection to the new bus or existing Electric
Distribution station. Number of generation connections:

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the
total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram)

What type of protection/relay will be located at the Small Generator Facility?

What protocol does the protection/relay use?

Please provide a map of the site. Indicate the plant, station, distribution line, and property lines.

Physical dimensions of the proposed Interconnection station:

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Bus length from generation to Interconnection station:

[Empty box for bus length]

Line length from Interconnection station to proposed Point of Interconnection (POI).

[Empty box for line length]

GPS coordinates of distribution pole at POI.

[Empty box for GPS coordinates]

Number of third party easements required for distribution lines.

[Empty box for number of easements]

(Items above to be completed in coordination with Electric Distribution Company.)

Is the Small Generator Facility located in Electric Distribution Company's service area?

Yes No If no, please provide name of local provider:

[Empty box for local provider name]

Please provide the following proposed schedule dates:

Begin Construction

Date: _____

Generator step-up transformers receive back feed power

Date: _____

Commercial Operation

Date: _____

