

Form No. 23

INTERCONNECTION AGREEMENT FOR PRIVATE ENERGY PRODUCERS  
INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE  
IN "PARALLEL-INADVERTENT EXPORT" WITH  
BVE'S DISTRIBUTION SYSTEM

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**DECLARATIONS**

This Interconnection Agreement ("Agreement") is entered into by and between \_\_\_\_\_,  
a Private Energy Producer ("Producer") who owns and is responsible for the operation of a Generating Facility  
("Facility") that meets the requirement of Public Utilities Code ("PU Code"), Section 218 and the American (T)  
States Water Company (ASWC), Golden State Water Company ("GSWC") and Bear Valley Electric ("BVE"), (T)  
a Division of GSWC, sometimes also referred to herein Jointly as "Parties" or individually as "Party".  
The Parties hereby agree to enter into this Interconnection Agreement ("Agreement"), to permit the Parallel  
Operation with Inadvertent Export of power from the Facility to BVE's distribution system. This Agreement  
applies to the Producer's Facility located and identified below with the specified characteristics and generating  
capacity, and does not allow interconnection or operation of Facilities different than those described. Accordingly,  
the Parties agree as follows:

**1. APPLICABILITY**

This Agreement is applicable only to Producers who require interconnection and parallel operation with  
BVE's Distribution System with Inadvertent Export of power. Parallel Operation under Inadvertent Export  
is defined herein as a period of time of more than 2 seconds but not to exceed the period specified in  
Attachment (C) "Description of Operating Criteria". The Producer is permitted to synchronize its generation  
equipment while limiting the transmission of power across the interconnection with BVE to occasional,  
inadvertent, non-compensated, export. The purpose of the Producer's Facility is to serve the electrical  
loads connected to the electric service account that BVE uses to interconnect with Producers  
Facility (or, where permitted under PU Code Section 218, the electrical loads of an on-site or neighboring  
party lawfully connected to Producer's Facility through Producer's circuits). The qualifying Producer  
must have previously submitted an Application for Interconnection to BVE that has been accepted by BVE  
as complete.

This agreement does not constitute an agreement by BVE to provide retail electrical service to Producer.  
Such arrangements, including provision of standby service must be made separately between BVE and the  
Producer.

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**2. IDENTITY AND LOCATION OF PRODUCER'S FACILITY**

This Agreement is applicable only to the Facility identified and located as described below. The Facility may not be relocated or connected to BVE's system at any other location without BVE's express written permission.

Producer's service account number: \_\_\_\_\_ (assigned by BVE)

Applicable Rate Schedule: \_\_\_\_\_ (assigned by BVE)

Facility Location:

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

City/ZIP: \_\_\_\_\_

**3. DESCRIPTION OF PRODUCER'S EQUIPMENT**

**A. The Generating Facility:** Including a summary of its significant components and a single-line diagram showing the general arrangement of how Producer's Facility, and Producer's loads are interconnected with BVE's Distribution System and to specify the protection scheme to limit the inadvertent export are attached and made a part of this Agreement (supplied by Producer as Attachment B).

(1) The Gross Nameplate Rating of the Facility is \_\_\_\_\_ KW.

(2) The Net Nameplate Rating of the Facility is \_\_\_\_\_ KW.

(3) The expected annual energy production of the Facility is \_\_\_\_\_ KWh.

(4) Maximum amount of export capacity \_\_\_\_\_ KW.

(5) Relay set points, method and equipment to be used to synchronize with BVE's system, estimated Frequency of parallel operation, the time of day and duration of inadvertent export are as provided in Attachment C.

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Effective Date February 1, 2007

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(6) The expected date the generator will be ready to be connected to BVE's system.

(7) The type of fuel used in the generator including whether Producer claims the Facility meets the requirements of Section 353.1 of the PU Code and can be deemed a Distributed Energy Resources Generation (DERG) facility. See warranty (Attachment F) that applies if Producer wishes to make such claim.

**B. Type of AC Disconnect Equipment:** To operate safely, the Producer's Facility must have the capability of being disconnected from BVE's distribution system by a dedicated switch that can be accessed and operated by BVE personnel to ensure the Facility is disconnected when working on the Distribution System. Such equipment is described (including make and model) in Attachment C.

**NOTE: Producer shall not commence parallel operation of the Facility until express written approval has been provided to it by BVE.**

**4. ATTACHMENTS AND DEFINED TERMS**

This Agreement includes the following attachments that are specifically incorporated herein and made a part of this Agreement.

- A. The Provisions of this Agreement.
- B. Description of Facility and Single-Line Diagram (supplied by Producer).
- C. Description of "operating criteria" including the relay set points, maximum time of parallel operation, estimated frequency, the time of day and the duration of inadvertent export.
- D. (when applicable) - Copy of interconnection facility financing and ownership agreement between BVE and Producer.
- E. By reference, BVE's Electric Tariffs and Rules, including but not limited to Rules 1 and 21 are specifically incorporated herein as part of this Agreement. These documents are available by request or are available on the BVE website: [www.bves.com](http://www.bves.com)
- F. (when applicable) Warranty that the Facility meets the requirements of PU Code Section 353.1

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 BVE's electric Rule 1 and Rule 21.

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**5. 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 latter of the two dates set forth below.

PRODUCER

BEAR VALLEY ELECTRIC

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

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

Name Tracey Drabant

Title: \_\_\_\_\_

Title: Energy Resource Mgr.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

**ATTACHMENT "A"**

PROVISIONS OF INTERCONNECTION AGREEMENT  
(Agreement between Bear Valley Electric and Producer)

(Continued)

(N)

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**ATTACHMENT A: PROVISIONS**

AGREEMENT FOR PRIVATE ENERGY PRODUCERS INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE  
IN "PARALLEL-INADVERTENT EXPORT" WITH THE BVE's DISTRIBUTION SYSTEM

**1. PURPOSE OF INTERCONNECTION AND REPRESENTATIONS**

The purpose of this Agreement is to allow Producer to interconnect and operate in parallel with Bear Valley Electric's distribution system for a short duration, subject to the provisions of this Agreement. "Short Duration" is defined in Attachment C to this Agreement. Power exported to BVE's system will not receive compensation.

**2. TERMS AND TERMINATION**

2.1 This agreement shall become effective as of the last date entered in the Signatures Section of the Declaration. The Agreement shall continue in full force and effect until the earliest data that one of the following events occurs:

- (a) The Parties agree in writing to terminate the Agreement.
- (b) Unless otherwise agreed in writing by the Parties, at 12:01 A.M. on the day following the date the electric service account through which Producer's Facility is interconnected to BVE's Distribution System is closed or terminated.
- (c) At 12:01 A.M. on the 61<sup>st</sup> day after Producer or BVE provides written Notice pursuant to Section 11 to the other Party of their intent to terminate this Agreement.

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2.2 Producer may elect to terminate this Agreement pursuant to the terms of Section 2.1(c) for any reason. BVE may elect to terminate this Agreement pursuant to the terms of Section 2.1(c) 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 BVE's ability or obligation to perform BVE's duties under this Agreement; or,
- (b) Producer fails to take all corrective actions specified in BVE's Notice that Producers Generating Facility is out of compliance with the terms of this Agreement within the time frame set forth in such Notice; or,
- (c) Producer fails to interconnect and operate the Facility per the terms of the Agreement prior to 120 days after the date set forth in the Declaration, as the Facility's expected date of Initial Operation; or,
- (d) Producer abandons the Facility. BVE shall deem the Facility to be abandoned if BVE determines, in its sole opinion, the Facility is non-operational and Producer does not provide a substantive response to BVE's Notice of its intent to terminate this Agreement as a result of Producer's apparent abandonment of the Facility affirming Producer's intent and ability to continue to operate the Facility.

**3. FACILITY OPERATION REQUIREMENTS**

3.1 The Facility's sole function is to serve the electrical loads connected to the electric service account that BVE uses to interconnect Producer's Facility (or where permitted under Section 218 of the PU Code, the electric loads of an on-site or neighboring party lawfully connected to Producer's Facility through Producer's circuits). Producer shall attempt in good faith to regulate the electric power output of Producer's Facility so as to prevent the flow of electric energy from Generating Facility to BVE's electric system, except for periods of short duration not to exceed the operating parameters set forth in Attachment C to the Declaration.

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Unless otherwise agreed upon in writing by the Parties, this Agreement does not provide for, nor otherwise require BVE to receive, purchase, transmit, distribute or store the electrical power produced by Producer's Facility. Producer shall at all times comply with this Agreement as well as with all applicable laws and tariffs, and applicable requirements of the CPUC.

3.2 Notwithstanding any other provision of this Agreement, upon termination of this Agreement or at any time BVE determines that Parallel operation of the Facility may endanger the public or BVE personnel, or affect the integrity of BVE's electric system or the quality of electric service provided to other Producers, BVE shall have the right to immediately disconnect the Facility from BVE's electric system. The Facility shall remain disconnected from BVE's Distribution System until such time as BVE is satisfied, in its sole judgment, that the condition(s) causing such disconnection have ended or have been corrected.

3.3 Whenever feasible, BVE shall give Producer reasonable notice of the possibility that disconnection may be required.

3.4 The Facility shall at all times operate with the protective functions in place and relay set points agreed upon by BVE.

**4. INTERCONNECTION**

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

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

4.3 If the provisions of BVE's Rule 21, or any other tariff or rule approved by the CPUC, requires BVE to own and operate a portion of the Interconnection Facilities, Producer and BVE shall promptly execute a Special facilities Agreement that establishes responsibility for the design, installation, operation, maintenance, and ownership of the Interconnection Facilities. This Special Facilities Agreement shall be attached to and made a part of this Agreement as Attachment D.

4.4 **Producer shall not commence parallel operation of the Facility until written approval has been provided to by BVE.** Such approval shall normally be provided no later than (30) business days following BVE's receipt of:

- (a) an Application for Interconnection which has subsequently been accepted by BVE as "complete" including all supporting documents;
- (b) an executed Interconnection Agreement signed by both parties;
- (c) notification by BVE operating personnel that inspection and testing of the Facilities met BVE requirements;
- (d) a copy of the Producer's final inspection clearance from the governmental authority having jurisdiction over the Facility;
- (e) a copy of the original policy or policies of insurance as specified in Section 7.

With these documents complete, approval shall not be unreasonably withheld.

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4.5 BVE shall have the right to have its representatives present at the final inspection made by the governmental authority jurisdiction to inspect and approve the installation of the Facility. Producer shall notify BVE in accordance with the terms of Section 11, herein at least five (5) days prior to such inspection.

**5. FACILITY DESIGN REQUIREMENTS**

5.1 Producer shall be responsible for the design, installation, and operation of the Facility.

5.2 The Facility shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers ("IEEE"), and accredited testing laboratories such as Underwriters Laboratories ("UL"), and, where applicable, rules of the CPUC regarding safety and reliability. This Requirement shall include, but not be limited to, the provisions of IEEE Standard 929, IEEE Standard 1547 and UL Standard 1741.

5.3 Producer shall not add generation capacity in excess of the Effective Output rating set forth in the Section 3 of the Declaration to this Agreement, or otherwise modify the Facility without the prior written permission of BVE.

**6. INDEMNITY AND LIABILITY**

6.1 Each Party as indemnitor shall defend, hold harmless, and indemnify the other Party and the directors, officers, employees, and agents of the other Party against and from any and all loss, liability, damage, claim, cost, charge, demand, or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense, including attorneys' fees) for injury or death to persons, including employees of either Party, and damage to property, including property of either Party, arising out of or in connection with

- (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the indemnitor's facilities, or

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(b) the making of replacements, additions, betterments to, or reconstruction of the indemnitor's facilities. This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee. However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.

6.2 The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay for all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

6.3 The provisions of this Section shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.

6.4 Except as otherwise provided in Section 6.1, neither Party shall be liable to the other Party for consequential damages incurred by that Party.

6.5 Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person who is not a Party to it.

6.6 If Producer fails to comply with the insurance provisions of this Agreement, Producer shall, at its own cost, defend, save harmless and indemnify SCWC, its directors, officers, employees, agents, assignees, and successors in interest from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including attorney's fees and other costs of litigation) resulting from the death or injury to any person or damage to any property, including the personnel and property of the utility, to the extent that the utility would have been protected had Producer complied with the insurance provisions of Section 7. The inclusion of this Section 6.6 is not intended to create any expressed or implied right in Producer to elect not to provide any such required insurance.

6.7 Notwithstanding the provisions of Section 6.1, Producer shall be responsible for protecting its Facility from damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or non-operation of BVE's facilities, and BVE shall not be liable for any such damage so caused.

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**7. INSURANCE**

7.1 In connection with Producer's performance of its duties and obligations under this Agreement, Producer shall maintain, during the term of this 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 Producer'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 Producer's Generating Facility is greater than twenty (20) KW and less than or equal to hundred (100) KW;
- (c) Five hundred thousand dollars (\$500,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is less than twenty (20) KW but greater than ten (10) KW;
- (d) Two hundred thousand dollars (\$200,000) for each occurrence if the Gross Nameplate Rating of Producer's Generating Facility is ten (10) KW or less;

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".

7.2 The general liability insurance required in Section 7.1 shall, by endorsement to the policy or policies,

- (a) include ASWC, GSWC and BVE as an additional insured; (b) contain a severability of interest clause or cross-liability clause; (c) provide that ASWC, GSWC and BVE 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 ASWC, GSWC and BVE prior to cancellation, termination, alteration, or material change of such insurance, include a Waiver of Subrogation Clause. (T)

7.3 If Producer's Generating Facility is connected to an account receiving residential service from BVE and the requirement of Section 7.2(a) prevents Producer from obtaining the insurance required in Section 7.1, the requirements of Section 7.2(a) shall be waived.

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Resolution No. \_\_\_\_\_

**GOLDEN STATE WATER COMPANY**

630 E. FOOTHILL BLVD. P. O. BOX 9016  
SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 1517-E

Canceling Original Cal. P.U.C. Sheet No. 1494-E

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7.4 Evidence of the insurance required in Section 7.1 shall state that coverage provided is primary and is not in excess to or contributing with any insurance or self-insurance maintained by BVE.

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

7.6 If Producer is self-insured with an established record of self-insurance, Producer may comply with the following in lieu of Sections 7.3 through 7.5:

- (a) Producer shall provide to BVE, at least thirty (30) calendar days prior to the date of Initial Operation, evidence of an acceptable plan to self-insure the equivalent to that required under Section 7.1.
- (b) If Producer ceases to self-insure to the level required hereunder, or if Producer is unable to provide continuing evidence of Producer's ability to self-insure, Producer agrees to immediately obtain the coverage required under Section 7.1.

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

**BEAR VALLEY ELECTRIC SERVICE**

Attn: Tracey Drabant  
Energy Resource Manager  
42020 Garstin Road  
P.O. Box 1547  
Big Bear Lake, CA 92315

**8. REVIEW OF RECORDS AND DATA**

8.1 BVE shall have the right to review and obtain copies of producer'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 Producers Facility or its interconnection with BVE's Distribution System.

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8.2 Producer authorizes BVE to release to the CEC and the CPUC information regarding Producer's Facility, Producer's name, location, size, and operational characteristics, as requested from time to time pursuant to the CPUC's and the CEC's rules and regulations.

**9. GOVERNING LAW, JURISDICTION OF CPUC, INCLUSION OF BVE's RATE SCHEDULES AND RULES**

9.1 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.

9.2 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.

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

9.4 Notwithstanding any other provisions of this Agreement, BVE 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.

**10. AMENDMENT, MODIFICATIONS, WAIVER OR ASSIGNMENT**

10.1 This Agreement may not be altered or modified by either of the Parties, except by an instrument in writing executed by each of them.

10.2 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 anyone 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.

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**GOLDEN STATE WATER COMPANY**

630 E. FOOTHILL BLVD. P. O. BOX 9016  
SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 1519-E

Canceling Original Cal. P.U.C. Sheet No. 1496-E

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10.3 This Agreement shall supersede any existing agreement under which Producer is currently operating the Facility identified in Section 2 of the Declaration, herein, and any such agreement shall be deemed terminated as of the date this Agreement becomes effective.

10.4 This Agreement 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.

10.5 Neither Party shall voluntarily assign this Agreement or any of its rights or duties hereunder without the written consent of the other Party, which consent shall not be unreasonably withheld. Any such assignment or delegation made without such written consent shall be null and void.

**11. NOTICES**

11.1 Any notice required under this Agreement shall be in writing and mailed at any United States Post Office with postage prepaid and addressed to the Party, or personally delivered to the Party, at the address below. Changes in such designation may be made by notice similarly given. All written notices shall be directed as follows:

IF TO BVE:

BEAR VALLEY ELECTRIC SERVICE  
Attention: Tracey Drabant, Energy Resource Manager  
Address: 42020 Garstin Road, P.O. Box 1547  
City: Big Bear Lake, CA 92315  
Phone:(909) 866-4678 extension 181  
FAX: (909) 866-5056

IF TO PRODUCER:

PRODUCER (Name & Address Below):

Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Phone: \_\_\_\_\_  
FAX: \_\_\_\_\_

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Decision No. \_\_\_\_\_

President

Resolution No. \_\_\_\_\_

(N)

Form No. 23

INTERCONNECTION AGREEMENT FOR PRIVATE ENERGY PRODUCERS  
INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE  
IN "PARALLEL-INADVERTENT EXPORT" WITH  
BVE's DISTRIBUTION SYSTEM  
(Continued)

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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

ATTACHMENT "B"

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

(Continued)

(N)

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**GOLDEN STATE WATER COMPANY**

630 E. FOOTHILL BLVD. P. O. BOX 9016  
SAN DIMAS, CALIFORNIA 91773-9016

Revised Cal. P.U.C. Sheet No. 1522-E

Canceling Original Cal. P.U.C. Sheet No. 1499-E

(N)

Form No. 23

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IN "PARALLEL-INADVERTENT EXPORT" WITH  
BVE's DISTRIBUTION SYSTEM  
(Continued)

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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

ATTACHMENT "C"

DESCRIPTION OF OPERATING CRITERIA

(Provided by Producer)

(Continued)

(N)

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INTERCONNECTING A GENERATING FACILITY THAT WILL OPERATE  
IN "PARALLEL-INADVERTENT EXPORT" WITH  
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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

ATTACHMENT "D"

INTERCONNECTION FACILITY FINANCING &

OWNERSHIP AGREEMENT

(When Applicable)

(Agreement between Bear Valley Electric and Producer)

(Continued)

(N)

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BVE's DISTRIBUTION SYSTEM  
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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

ATTACHMENT "E"

APPLICABLE RULES & TARIFFS

(Continued)

(N)

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BVE's DISTRIBUTION SYSTEM  
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**GENERATING FACILITY INTERCONNECTION**

(INADVERTENT EXPORT)

BEAR VALLEY ELECTRIC

PRODUCER NAME \_\_\_\_\_

ATTACHMENT "F"

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A  
"DISTRIBUTED ENERGY RESOURCES GENERATION" FACILITY PURSUANT  
TO SECTION 353.1 OF THE CALIFORNIA PUBLIC UTILITIES CODE

(Continued)

(N)

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BVE's DISTRIBUTION SYSTEM  
(Continued)

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ATTACHMENT F  
(Applicable if Producer claims DERG status in Attachment B)

PRODUCER'S WARRANTY THAT THE GENERATING FACILITY IS A "DISTRIBUTED ENERGY RESOURCES GENERATION" FACILITY PURSUANT TO SECTION 353.1 OF THE CALIFORNIA PUBLIC UTILITIES CODE

For the purpose of securing the tariff charge exemption available under Section 353.3 of the California Public Utilities Code (PU Code), Producer hereby declares that the Generating Facility meets the requirements for "Distributed Energy Resources Generation" (DERG) as that term is used in Section 353.1 of the PU Code.

Producer warrants that, beginning on the date of Initial Operation and continuing throughout the term of this Agreement its Generating Facility shall continue to meet DERG requirements. If Producer becomes aware that the Generating Facility has ceased to meet the requirements for DERG, Producer shall promptly provide BVE with notice of such change pursuant to Section 11.1 of the Agreement. If at any time during the term of this Agreement BVE determines in its sole discretion that Producer's Generating Facility may no longer meet the DERG requirements, BVE may require Producer to provide evidence that the Generating Facility continues to meet DERG requirements within 15 business days of BVE's request for such evidence. Additionally BVE may periodically (typically once per year) inspect Producer's Generating Facility and/or requirement documentation from Producer to monitor the Generating Facilities compliance with the DERG requirements. If BVE determines in its sole judgment that Producer either failed to provide evidence in a timely manner or that it provided insufficient evidence that its Generating Facility continues to meet the DERG requirements, then the DERG status of the Generating Facility shall be deemed ineffective until such time as Producer again demonstrates to BVE's reasonable satisfaction that the Generating Facility meets the requirements of a DERG resource as defined in Section 353.1 of the PU Code.

BVE shall revise its records and the administration of this Agreement to reflect the DERG status change and provide notice to Producer of the DERG status change pursuant to Section 11.1 of this Agreement. Such Notice shall specify the effective date of the DERG status change. This date shall be the first day of the calendar year for which BVE determines in its sole discretion that the Generating Facility first ceased to meet the DERG requirements. BVE shall invoice the Producer's electric Service Account through which the Generating Facility is interconnected with BVE's Distribution System for any tariff charges that were not previously billed during the period between the effective date of the DERG status change and the date of the Notice in reliance upon Producer's representations that the Generating Facility complied with the DERG requirements and therefore was eligible for the exemption from tariff charges available under Section 353.3 of the PU Code.

Any amounts to be paid or refunded by Producer as may be invoiced by BVE pursuant to the terms of this warrant, shall be paid to BVE within 30 days of Producer's receipt of such invoice.

(N)

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President

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