

October 23, 2023

VIA eTariff

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Amendment to Service Agreement TSA-NECO-83 Under the ISO New England
Open Access Transmission Tariff, Docket No. ER23-1000-00_**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), ISO New England Inc. (“ISO-NE”) and The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) (together, the “Filing Parties”)² request that the Commission take the proceeding out of abeyance and accept the Local Service Agreement No. TSA-NECO-83 (the “BIPCO LSA”) under the ISO-NE Open Access Transmission Tariff (“OATT”) as amended herein. The Filing Parties request that the Commission accept the Service Agreement, effective January 1, 2023 as initially requested in the application filed on January 31, 2023.³

I. BACKGROUND

On January 31, 2023, the Filing Parties submitted the BIPCO LSA (“January 31 Filing”) among RIE, the Block Island Utility District d/b/a Block Island Power Company (“BIPCO”) and ISO-NE.⁴ The BIPCO LSA allows RIE to recover the Block Island Transmission System (“BITS”) Surcharge that was originally captured in Local Service Agreement No. TSA-NEP-83.

On March 31, 2023, the Director of the Division of Electric Power Regulation-East issued a letter requesting additional information relating to the January 31 Filing.⁵ Specifically,

¹ 18 C.F.R. §§ 385.212, 385.215.

² RIE, and not ISO-NE, has FPA Section 205 rights over Schedule 21-RIE to the ISO-NE OATT, pursuant to which RIE offers and administers Local Service. ISO-NE does not offer or administer Local Service, and joins this filing solely to fulfill its obligations to file Local Service Agreements on behalf of applicable Participating Transmission Owners (“PTOs”), in accordance with Article 3.03(d)(ii) of the Transmission Operating Agreement (“TOA”) between ISO-NE and the PTOs. See ISO New England Inc., 124 FERC ¶ 61,297 (2008).

³ *ISO New England Inc.*, Tariff Filing, Docket No. ER23-1000-000 (filed Jan. 31, 2023).

⁴ *Id.*

⁵ *ISO New England Inc.*, Deficiency Letter, Docket No. ER23-1000-000 (issued Mar. 31, 2023).

the Director of the Division of Electric Power Regulation-East asked “whether the BIPCO LSA is subject to the Protocols of Schedule 21-RIE.”⁶

On May 1, 2023, RIE responded to the Director of the Division of Electric Power Regulation-East’s request for additional information and proposed revisions to the BIPCO LSA to clarify that the BITS Surcharge shall be subject to protocols governing the annual true-up and review process for updating the BITS Surcharge (“Deficiency Response”).⁷

On June 27, 2023, the Filing Parties asked the Commission to hold Docket Nos. ER23-1000-000 and ER23-1003-000 in abeyance (“Motion”).⁸ The Filing Parties requested an abeyance to allow RIE time to continue discussions with the Rhode Island Division of Public Utilities and Carriers (“Division”) to resolve concerns raised by the Division in a protest filed in Docket No. ER23-1003-000 (“Protest”).⁹ The Protest concerned the transparency of the BITS Surcharge calculation and the protocols proposed to govern the review and challenge process of the Annual Update of the BITS Surcharge.¹⁰ The protocols that are the subject of the Division’s Protest are the same protocols that RIE proposed to incorporate into the BIPCO LSA in the Deficiency Response.¹¹ Since filing the Motion, RIE has developed protocols to govern the review and challenge process of the Annual Update of the BITS Surcharge that are acceptable to both the Filing Parties and the Division. The instant filing seeks to amend the pending BIPCO LSA to include those protocols.¹²

II. DESCRIPTION OF AMENDMENTS

RIE proposes changes to the BIPCO LSA to incorporate the information and challenge procedures contained in Attachment F, Appendix C to the ISO-NE OATT. These procedures would replace the section O (Audit Provisions) from Schedule II-B of NEP Tariff No. 1 that RIE proposed to incorporate in its Deficiency Response.¹³ Specifically, RIE proposes to replace the

⁶ *Id.* at 2.

⁷ *ISO New England Inc.*, Deficiency Response, Docket No. ER23-1000-000 (filed May 1, 2023).

⁸ *ISO New England Inc.*, Motion for Abeyance, Docket Nos. ER23-1000-000 and ER23-1003-000 (filed June 27, 2023).

⁹ *ISO New England Inc.*, Protest, Docket No. ER23-1003-000 (filed May 22, 2023) (protesting the compliance filing). The Division also filed a Protest, in response to the initial tariff filing. *ISO New England Inc.*, Motion for Leave to Intervene and Protest, Docket No. ER23-1003-000 (filed Feb. 21, 2023) (protesting the tariff filing because it lacked adequate transparency provisions and challenge procedures).

¹⁰ *ISO New England Inc.*, Motion for Abeyance, Docket Nos. ER23-1000-000 and ER23-1003-000 (filed June 27, 2023).

¹¹ *ISO New England Inc.*, Deficiency Response, Docket No. ER23-1000-000 (filed May 1, 2023).

¹² Contemporaneous with this filing, RIE is also proposing the same changes to TSA-NECO-86 in Docket No. ER23-1003-000. TSA-NECO-86 is also a service agreement under Schedule 21-RIE.

¹³ RIE also proposed in the Deficiency Response to incorporate the section M provisions (Annual True-Up Adjustment) from Schedule II-B of NEP Tariff No. 1. RIE is not proposing to replace the section M provisions in the instant filing. The section M provisions as proposed in the Deficiency Response are unchanged, but for a minor revision to promote clarity. This revision is reflected in the redline of the

section O provisions with section V (Information Exchange Process) and section VI (Challenge Procedures – Informal and Formal) from Attachment F, Appendix C. RIE has proposed minor revisions to the provisions contained in Attachment F, Appendix C that will be incorporated into the BIPCO LSA to remove references and items not relevant to the BITS Surcharge, to define Interested Parties as including the Division and the Rhode Island Attorney General and to promote clarity. These proposed changes would fully resolve the concerns raised by the Division in Docket No. ER23-1003-000.

III. CONTENTS OF FILING

In accordance with the Commission's eTariff protocols, this filing includes the following:

- i. This transmittal letter;
- ii. A clean version of the revised BIPCO LSA;
- iii. A redline version of the revised BIPCO LSA showing the changes from the version of the BIPCO LSA attached to the Deficiency Response;
- iv. A redline version of the revised BIPCO LSA showing the changes from the version of the BIPCO LSA attached to the January 31 Filing; and
- v. A redline showing the revisions to the provisions in sections V and VI of ISO NE OATT Attachment F, Appendix C that are being incorporated into the BIPCO LSA for informational purposes.¹⁴

IV. EFFECTIVE DATE

The Filing Parties respectfully continues to request an effective date of January 1, 2023 for the reasons set forth in its original application in these proceedings. January 1, 2023 is the date that RIE became a PTO with filing rights under Schedule 21-RIE.

To the extent not already provided above, the following information required by 18 C.F.R. §§ 35.13(b) and (c) is supplied. RIE also states that no expenses or costs in connection with this service agreement have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

Additionally, to the extent necessary, the Filing Parties request waiver of the notice requirements 18 C.F.R. §§ 35.3(a)(1) to allow TSA-NECO-86 to become effective on January 1, 2023. The Filing Parties further request waiver of any additional FERC regulations necessary to permit the filing to become effective as requested.

BIPCO LSA. *ISO New England Inc.*, Deficiency Response, Docket No. ER23-1000-000 (filed May 1, 2023).

¹⁴ The instant filing is not proposing amendments to Attachment F, Appendix C of the ISO-NE OATT. Rather, the proposed redline in this exhibit is being included to show the changes to the provision in Section V and Section VI of ISO-NE OATT Attachment F, Appendix C that are being incorporated into the BIPCO LSA.

V. COMMUNICATIONS

The Filing Parties request that any correspondence or communications with respect to this filing be directed to the following:

Steven M. Nadel
PPL Services Corporation
2 N. 9th St.
Allentown, PA 18101
(610) 774-4775
smnadel@pplweb.com

Monica Gonzalez
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4178
mgonzalez@iso-ne.com

William M. Keyser
Michelle L. Castaline
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1330 Connecticut Ave., NW
Washington, DC 20036
(202) 429-8186
wkeyser@steptoe.com
mcastaline@steptoe.com

VI. CONCLUSION

For the reasons stated herein, the Filing Parties respectfully request that the Commission accept the BIPCO LSA effective as of January 1, 2023.

Respectfully submitted,

/s/ William M. Keyser
William M. Keyser
Michelle L. Castaline
Steptoe & Johnson LLP
1330 Connecticut Ave., NW
Washington, D.C. 20036
(202) 429-3000

Steven M. Nadel
PPL Services Corporation
2 N. 9th St.
Allentown, PA 18101
(610) 774-4775

*Counsel for The Narragansett Electric Company
d/b/a Rhode Island Energy*

/s/ Monica Gonzalez
Monica Gonzalez
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040-2841
(413) 535-4178

Counsel for ISO New England Inc.

CERTIFICATE OF SERVICE

Pursuant to Rule 2010, 18 C.F.R. § 385.2010, I hereby certify that I have this day caused the foregoing document to be served upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. on this 23rd day of October, 2023.

/s/ Michelle L. Castaline
Michelle L. Castaline
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
mcastaline@steptoe.com

ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-83

LOCAL SERVICE AGREEMENT
BY AND BETWEEN
THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY;
BLOCK ISLAND UTILITY D/B/A BLOCK ISLAND POWER COMPANY
AND
ISO NEW ENGLAND INC.

SCHEDULE 21

ATTACHMENT A

FORM OF LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023 is entered into, by and between The Narragansett Electric Company d/b/a/ Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner”), Block Island Utility District dba Block Island Power Company, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I - General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.
6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

Block Island Utility District dba Block Island Power Company

Attn: Jeffery M. Wright

P.O. Box 518

100 Ocean Avenue

Block Island, RI 02807

Transmission Owner:

The Narragansett Electric Company d/b/a Rhode Island Energy

2 N. 9th Street

Allentown, PA 18101

Attn: Interconnection Affairs Manager

Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.

Attn: Manager - Transmission Services

One Sullivan Road

Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner’s provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II - Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2016 or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on December 31, 2035, or as otherwise mutually agreed in writing by the parties.
3. Specifications for Local Network Service.

- a. Term of Service: See 2 above.
- b. List of Network Resources and Point(s) of Receipt:
- c. Description of capacity and energy to be transmitted;
Initially up to 4 MW and 15TWh of Network Load
- d. Description of Local Network Load:
Wholesale load for the Town of New Shoreham, Rhode Island
- e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:
At the Transmission Owner's 34.5kV substation on Block Island.
Note: The metering is on the 34.5kV side and the Transmission Owner owns the meter. The Transmission Customer is responsible for the telecommunications circuits.
- f. List of non-Network Resource(s), to the extent known:
- g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:
The Transmission Customer will execute a Market Participant Service Agreement or a Transmission Service Agreement with ISO-New England, Inc.
- h. Identity of Designated Agent: Energy New England
Authority of Designated Agent: Christina Beaudry
Term of Designated Agent's authority: December 31, 2026
Division of responsibilities and obligations between Transmission Customer and Designated Agent:

- i. Interconnection facilities and associated equipment: (1) 34.5kV Breaker, a dead end structure, and associated equipment within Transmission Owner's 34.5kV substation on Block Island, and (2) steel structures, 5 kV conductors, and associated hardware to interconnect to Transmission Customer's facilities.
- j. Project name:
- k. Interconnecting Transmission Customer: Block Island Power Company
- l. Location: 100 Ocean Ave, New Shoreham, Rhode Island
- m. Transformer nameplate rating: 34.5/4.16kV/2.4kV transformer
- n. Interconnection point:
At the Transmission Owner's 34.5kV substation on Block Island. The point of change of ownership is at Transmission Customer's Pole 3.
- o. Additional facilities and/or associated equipment:
- p. Service under this Local Service Agreement shall be subject to the following charges:
Any and all other applicable charges in accordance with the rates, terms and conditions of Schedule 21-RIE of the Tariff, including, without limitation:
- Monthly demand charges with PTF and non-PTF components
 - Transformer surcharge
 - Rolled-In Distribution Surcharge
 - Direct Assignment Facilities Charge for interconnection facilities in i. above
 - Meter Surcharge
 - Network load dispatch surcharge
 - Block Island Transmission System ("BITS") Surcharge (pursuant to Attachment 1)
- q. Additional terms and conditions:

Transmission Customer grants permission to Transmission Owner's engineering, distribution planning, transmission planning and T&D operations personnel to access any and all Transmission Customer RTU data which is telemetered to Transmission Owner's control room.

Transmission Owner agrees not to share this data with its sales and marketing personnel.

Transmission Customer understands that the source to the 34.5kV Block Island substation is a radial feed from the Transmission Owner's Wakefield Substation and that there will be an interruption to network service whenever the feeder breaker at Wakefield or the Block Island Transmission System is unavailable.

4. Planned work schedule.

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

Construction Complete 03/22/2017

In-Service Date 05/01/2017

5. Payment schedule and costs.

(Study grade estimate, + ____ % accuracy, year \$s)

Milestone

Amount (\$)

Transmission Customer has elected to pay for interconnection facilities in 3(i) via a Direct Assignment Facilities charge with no Contribution in Aid of Construction.

6. Policy and practices for protection requirements for new or modified load interconnections.

See Attachment E of Transmission Owner's Local Service Schedule 21- RIE

7. Insurance requirements.

See Attachment F of Transmission Owner's Local Service Schedule 21- RIE


PART III - Local Point-To-Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.
4. Specifications for Local Point-To-Point Service.
 - a. Term of Transaction:
 - b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
 - c. Point(s) of Receipt:
 - d. Delivering Party:
 - e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
 - h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:


- k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- | Estimated Time | |
|----------------|-----------------------|
| Milestone | Period For Completion |
| (Activity) | (# of months) |
| | |
6. Payment schedule and costs.
- (Study grade estimate, + _____ % accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
| | |
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.


Transmission Customer:

By:  Authorized Representative 08/10/2023
Name: Jeffrey M. Wright Title: President Date

Transmission Owner:

By:  Authorized Representative 08/06/2023
Name: David Quier Title: VP, Transmission & Substations Date

The ISO:

By:  Authorized Representative _____
Name: Title: Date

Attachment 1

Block Island Transmission System (BITS) Surcharge

This Attachment 1 applies to charges under the Tariff for Block Island Transmission System (BITS”) facilities owned or leased by the Transmission Owner and constructed to interconnect Transmission Customer and Deepwater Block Island Wind, LLC to the New England Transmission System in accordance with the Rhode Island General Laws, § 39-26.1-7, known as the Town of New Shoreham Project (“Project”). The intent of the Project is to facilitate the construction of a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland in order to: position the state to take advantage of the economic development benefits of the emerging offshore wind industry; promote the development of renewable energy sources that increase the nation’s energy independence from foreign sources of fossil fuels; reduce the adverse environmental and health impacts of traditional fossil fuel energy sources; and provide the Town of New Shoreham with an electrical connection to the mainland. Provided that the Project goes forward as intended, the annual costs incurred by The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) for the BITS facilities shall be recovered annually from its customers and from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, the provisions of which are set forth below, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission Service Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- 22 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV switching station on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately 0.86 miles of combined overhead and underground infrastructure on Block Island; and
- Approximately 2 miles of combined overhead and underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the product of the Facilities Charge for BITS facilities multiplied by the BIPCO Share Percentage, where:

1. The Facilities Charge for BITS facilities shall become effective as of January 1, 2023 and shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and
 - d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
3. The BIPCO Share Percentage for each year shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The BIPCO Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{RIE Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

Minimum Energy Ratio Share

$$1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

Maximum Energy Ratio Share

$$1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of BIPCO's Annual Peak Load Ratio Share and its Energy Ratio Collar:

Illustrative Example:

2010 Annual Peak Load

(1)	BIPCo Annual Peak Load =	3,604 kW
(2)	RIE Annual Peak Load =	<u>1,843,989 kW</u>
(3)	Total Annual Peak Load =	1,847,489 kW
(4)	BIPCo Annual Peak Load Ratio Share $((1)/(3)) = 0.19508\%$	

2010 Energy Ratio Collar

(1)	1.2* BIPCO Annual Energy =	13,369,466 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,765,256,466 kWh
(4)	Minimum Energy Ratio Share $((1)/(3)) = 0.17217\%$	
(1)	1.8* BIPCO Annual Energy =	20,054,199 kWh
(2)	RIE Annual Energy =	<u>7,751,887,000 kWh</u>
(3)	Total Annual Energy	7,771,941,199 kWh
(4)	Maximum Energy Ratio Share $((1)/(3)) = 0.25803\%$	

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing ("Initial Filing") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1s as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual

data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").

3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.
4. Any changes to the data inputs, including but not limited to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Information Exchange Process and Challenge Procedures

A. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
 - c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;

- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

- 2. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
- 3. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

B. Challenge Procedures – Informal and Formal

- 1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.
 - a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and

documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.

2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.

- a. A Formal Challenge shall:
 - i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;
 - ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;
 - iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;

- (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
 - iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
 - b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.
 - c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of this and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.
3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations

thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.

4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures (“Challenge Procedures”) set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-83

LOCAL SERVICE AGREEMENT

BY AND BETWEEN

THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY;

BLOCK ISLAND UTILITY D/B/A BLOCK ISLAND POWER COMPANY

AND

ISO NEW ENGLAND INC.

SCHEDULE 21

ATTACHMENT A

FORM OF LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023 is entered into, by and between The Narragansett Electric Company d/b/a/ Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner”), Block Island Utility District dba Block Island Power Company, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I - General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.
6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

Block Island Utility District dba Block Island Power Company
Attn: Jeffery M. Wright
P.O. Box 518
100 Ocean Avenue
Block Island, RI 02807

Transmission Owner:

The Narragansett Electric Company d/b/a Rhode Island Energy
2 N. 9th Street
Allentown, PA 18101
Attn: Interconnection Affairs Manager
Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.
Attn: Manager - Transmission Services
One Sullivan Road
Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner’s provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II - Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2016 or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on December 31, 2035, or as otherwise mutually agreed in writing by the parties.
3. Specifications for Local Network Service.

- a. Term of Service: See 2 above.
- b. List of Network Resources and Point(s) of Receipt:
- c. Description of capacity and energy to be transmitted;
Initially up to 4 MW and 15TWh of Network Load
- d. Description of Local Network Load:
Wholesale load for the Town of New Shoreham, Rhode Island
- e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:
At the Transmission Owner's 34.5kV substation on Block Island.
Note: The metering is on the 34.5kV side and the Transmission Owner owns the meter. The Transmission Customer is responsible for the telecommunications circuits.
- f. List of non-Network Resource(s), to the extent known:
- g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:
The Transmission Customer will execute a Market Participant Service Agreement or a Transmission Service Agreement with ISO-New England, Inc.
- h. Identity of Designated Agent: Energy New England
Authority of Designated Agent: Christina Beaudry
Term of Designated Agent's authority: December 31, 2026
Division of responsibilities and obligations between Transmission Customer and Designated Agent:

- i. Interconnection facilities and associated equipment: (1) 34.5kV Breaker, a dead end structure, and associated equipment within Transmission Owner's 34.5kV substation on Block Island, and (2) steel structures, 5 kV conductors, and associated hardware to interconnect to Transmission Customer's facilities.
- j. Project name:
- k. Interconnecting Transmission Customer: Block Island Power Company
- l. Location: 100 Ocean Ave, New Shoreham, Rhode Island
- m. Transformer nameplate rating: 34.5/4.16kV/2.4kV transformer
- n. Interconnection point:
At the Transmission Owner's 34.5kV substation on Block Island. The point of change of ownership is at Transmission Customer's Pole 3.
- o. Additional facilities and/or associated equipment:
- p. Service under this Local Service Agreement shall be subject to the following charges:
Any and all other applicable charges in accordance with the rates, terms and conditions of Schedule 21-RIE of the Tariff, including, without limitation:
 - Monthly demand charges with PTF and non-PTF components
 - Transformer surcharge
 - Rolled-In Distribution Surcharge
 - Direct Assignment Facilities Charge for interconnection facilities in i. above
 - Meter Surcharge
 - Network load dispatch surcharge
 - Block Island Transmission System ("BITS") Surcharge (pursuant to Attachment 1)
- q. Additional terms and conditions:

Transmission Customer grants permission to Transmission Owner's engineering, distribution planning, transmission planning and T&D operations personnel to access any and all Transmission Customer RTU data which is telemetered to Transmission Owner's control room.

Transmission Owner agrees not to share this data with its sales and marketing personnel.

Transmission Customer understands that the source to the 34.5kV Block Island substation is a radial feed from the Transmission Owner's Wakefield Substation and that there will be an interruption to network service whenever the feeder breaker at Wakefield or the Block Island Transmission System is unavailable.

4. Planned work schedule.

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

Construction Complete 03/22/2017

In-Service Date 05/01/2017

5. Payment schedule and costs.

(Study grade estimate, + ____ % accuracy, year \$s)

Milestone

Amount (\$)

Transmission Customer has elected to pay for interconnection facilities in 3(i) via a Direct Assignment Facilities charge with no Contribution in Aid of Construction.

6. Policy and practices for protection requirements for new or modified load interconnections.

See Attachment E of Transmission Owner's Local Service Schedule 21- RIE

7. Insurance requirements.

See Attachment F of Transmission Owner's Local Service Schedule 21- RIE

PART III - Local Point-To-Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.
4. Specifications for Local Point-To-Point Service.
 - a. Term of Transaction:
 - b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
 - c. Point(s) of Receipt:
 - d. Delivering Party:
 - e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
 - h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:

- k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- | Estimated Time | |
|----------------|-----------------------|
| Milestone | Period For Completion |
| (Activity) | (# of months) |
6. Payment schedule and costs.
- (Study grade estimate, +_____ % accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
| | |
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____	Authorized Representative	_____
Name: Jeffrey M. Wright	Title: President	Date

Transmission Owner:

By: _____	Authorized Representative	_____
Name: David Quier	Title: VP, Transmission & Substations	Date

The ISO:

By: _____	Authorized Representative	_____
Name:	Title:	Date

Attachment 1

Block Island Transmission System (BITS) Surcharge

This Attachment 1 applies to charges under the Tariff for Block Island Transmission System (BITS) facilities owned or leased by the Transmission Owner and constructed to interconnect Transmission Customer and Deepwater Block Island Wind, LLC to the New England Transmission System in accordance with the Rhode Island General Laws, § 39-26.1-7, known as the Town of New Shoreham Project ("Project"). The intent of the Project is to facilitate the construction of a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland in order to: position the state to take advantage of the economic development benefits of the emerging offshore wind industry; promote the development of renewable energy sources that increase the nation's energy independence from foreign sources of fossil fuels; reduce the adverse environmental and health impacts of traditional fossil fuel energy sources; and provide the Town of New Shoreham with an electrical connection to the mainland. Provided that the Project goes forward as intended, the annual costs incurred by The Narragansett Electric Company d/b/a Rhode Island Energy ("RIE") for the BITS facilities shall be recovered annually from its customers and from Block Island Power Company ("BIPCO") through a fully reconciling rate adjustment, the provisions of which are set forth below, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission Service Surcharge ("BITS Surcharge") as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- 22 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV switching station on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately 0.86 miles of combined overhead and underground infrastructure on Block Island; and
- Approximately 2 miles of combined overhead and underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal 1/12th of the product of the Facilities Charge for BITS facilities multiplied by the BIPCO Share Percentage, where:

1. The Facilities Charge for BITS facilities shall become effective as of January 1, 2023 and shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and
 - d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
3. The BIPCO Share Percentage for each year shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The BIPCO Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{RIE Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

Minimum Energy Ratio Share

$$1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

Maximum Energy Ratio Share

$$1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of BIPCO's Annual Peak Load Ratio Share and its Energy Ratio Collar:

Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|--------------------------|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | RIE Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
- (4) BIPCo Annual Peak Load Ratio Share ((1)/(3)) = 0.19508%

2010 Energy Ratio Collar

- | | | |
|-----|----------------------------|--------------------------|
| (1) | 1.2* BIPCO Annual Energy = | 13,369,466 kWh |
| (2) | RIE Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,765,256,466 kWh |
- (4) Minimum Energy Ratio Share ((1)/(3)) = 0.17217%
- | | | |
|-----|----------------------------|--------------------------|
| (1) | 1.8* BIPCO Annual Energy = | 20,054,199 kWh |
| (2) | RIE Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,771,941,199 kWh |
- (4) Maximum Energy Ratio Share ((1)/(3)) = 0.25803%

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing ("[Initial Filing](#)") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1's as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual

data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").

3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.
4. Any changes to the data inputs, including but not limited to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Audit Provisions

- ~~1. There will be an "Audit Period" that will extend from the date the informational filing is filed with FERC through December 31 of the year following the Service Year. At any time during the Audit Period, a Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, or the Rhode Island Attorney General shall have the right to request an audit or conduct an inspection of the actual data used in the Annual True Up and any and all transmission charges or credits billed by the Transmission Owner during the Service Year. The Transmission Owner shall not withhold information, on grounds of confidentiality, but is entitled to make such information available pursuant to a confidentiality agreement and to restrict access to non-competitive duty personnel and to other personnel as prescribed by FERC. The Transmission Owner is not obligated to disclose privileged information or information protected by the attorney work product doctrine. The Transmission Owner shall exercise all commercially reasonable efforts to provide, within 10 business days, such additional information as Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General may reasonably request. To the extent requested, the Transmission Owner shall meet with any Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General to provide such additional information, explanation, and/or clarification regarding the Annual True Up or any other information related to Transmission Customer billing under this Local Service Agreement during the Service Year. During the Audit Period any Transmission~~

Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General may request that the Transmission Owner adjust the Annual True-up Adjustment and/or Transmission Customer bills rendered during the Service Year. Any adjustment that the Transmission Owner agrees to make may be reflected in the next month following such adjustment.

2. ~~Upon request of Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General during the Audit Period, the Transmission Owner shall engage a third party independent auditor (the "Auditing Entity") through the process described in Paragraph 4, below. The Auditing Entity shall certify that the development, accuracy and application of data, is in accordance with the provisions of this Local Service Agreement. The Auditing Entity shall provide a Certified Public Accountant's attestation setting forth such certification ("CPA Attestation").~~
 - a. ~~In addition to the CPA Attestation, the Auditing Entity will provide an audit report that will specify the audit process and procedures; identify the individual auditors and their functions; and include all copies of all written communications with the Transmission Owner personnel, summaries of all other communications related to the audit, descriptions of all data analysis techniques used, findings and recommendations. Also, the Auditing Entity shall make available all workpapers and other documentation and materials that support the CPA Attestation.~~
 - b. ~~The Transmission Owner shall engage the Auditing Entity to perform the CPA Attestation duties through a competitive bidding process, evaluating each bidder according to cost, experience, competency and familiarity with the industry and the regulatory environment. The requesting Transmission Customer(s), the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General shall have the right to approve the content of the Request for Proposal and the Transmission Owner's selection of the auditing entity, which approval shall not be unreasonably withheld. If necessary, and after good faith efforts have not resulted in the Transmission Owner's obtaining an Auditing Entity to provide the CPA Attestation pursuant to this Paragraph 4, the requesting Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General and the Transmission Owner's agree to negotiate in good faith the scope of work that may be needed to provide a CPA Attestation and to accommodate the American Institute of Certified Public Accountants Code of Professional Conduct.~~
 - c. ~~In the event an independent audit is performed with respect to a Service Year and the Transmission Owner determines that the Annual True Up is incorrect, the Annual True Up may be subsequently adjusted pursuant to the provisions of this Local Service Agreement.~~
 - d. ~~The reasonable and prudent cost of the Auditing Entity's services and the Transmission Owner's reasonable and prudent costs of engaging the Auditing Entity and providing information to the Auditing Entity and the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers or the Rhode Island Attorney General shall be included as~~

~~part of the transmission costs charged to the Transmission Customer under this Local Service Agreement.~~

Information Exchange Process and Challenge Procedures

I. Information Exchange Process

A. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:

- a. The extent or effect of an Accounting Change;
- b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
- c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
- d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;
- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

- B. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
- C. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

II. Challenge Procedures – Informal and Formal

- 1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.
 - a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
- 2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
 - a. A Formal Challenge shall:

- i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;
- ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;
- iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;
 - (c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;
 - (f) The consistency with the BITS Surcharge of data included in the Annual True-up.
 - (g) The prudence of actual costs and expenditures;
 - (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
- iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
- v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- vi. State the specific relief or remedy requested, including any request for

stay or extension of time, and the basis for that relief;

vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and

viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.

b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.

c. RIE must respond to the Formal Challenge by the schedule established by the Commission.

d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of this Agreement and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.

3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.

4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures ("Challenge Procedures") set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.

5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

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ISO New England Inc.
FERC Electric Tariff No.3

Service Agreement No. TSA-NECO-83

LOCAL SERVICE AGREEMENT
BY AND BETWEEN
THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY;
BLOCK ISLAND UTILITY D/B/A BLOCK ISLAND POWER COMPANY
AND
ISO NEW ENGLAND INC.

SCHEDULE 21

ATTACHMENT A

FORM OF LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of January 1, 2023 is entered into, by and between The Narragansett Electric Company d/b/a/ Rhode Island Energy, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Owner”), Block Island Utility District dba Block Island Power Company, a corporation organized and existing under the laws of the State/Commonwealth of Rhode Island (“Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I - General Terms and Conditions

1. Service Provided (Check applicable):

☒ Local Network Service

☐ Local Point-To-Point Service

☐ Firm

☐ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.
5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.
6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.
7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.

Transmission Customer:

Block Island Utility District dba Block Island Power Company
Attn: Jeffery M. Wright
P.O. Box 518
100 Ocean Avenue
Block Island, RI 02807

Transmission Owner:

The Narragansett Electric Company d/b/a Rhode Island Energy
2 N. 9th Street
Allentown, PA 18101
Attn: Interconnection Affairs Manager
Email: interconnections@pplweb.com

The ISO:

ISO New England Inc.
Attn: Manager - Transmission Services
One Sullivan Road
Holyoke, MA 01040

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the “Tariff”) is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.
9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission’s rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.
10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement (“TOA”) to coordinate the Transmission Owner’s provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II - Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) January 1, 2016 or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on December 31, 2035, or as otherwise mutually agreed in writing by the parties.
3. Specifications for Local Network Service.

- a. Term of Service: See 2 above.
- b. List of Network Resources and Point(s) of Receipt:
- c. Description of capacity and energy to be transmitted;
Initially up to 4 MW and 15TWh of Network Load
- d. Description of Local Network Load:
Wholesale load for the Town of New Shoreham, Rhode Island
- e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:
At the Transmission Owner's 34.5kV substation on Block Island.
Note: The metering is on the 34.5kV side and the Transmission Owner owns the meter. The Transmission Customer is responsible for the telecommunications circuits.
- f. List of non-Network Resource(s), to the extent known:
- g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:
The Transmission Customer will execute a Market Participant Service Agreement or a Transmission Service Agreement with ISO-New England, Inc.
- h. Identity of Designated Agent: Energy New England
Authority of Designated Agent: Christina Beaudry
Term of Designated Agent's authority: December 31, 2026
Division of responsibilities and obligations between Transmission Customer and Designated Agent:

- i. Interconnection facilities and associated equipment: (1) 34.5kV Breaker, a dead end structure, and associated equipment within Transmission Owner's 34.5kV substation on Block Island, and (2) steel structures, 5 kV conductors, and associated hardware to interconnect to Transmission Customer's facilities.
- j. Project name:
- k. Interconnecting Transmission Customer: Block Island Power Company
- l. Location: 100 Ocean Ave, New Shoreham, Rhode Island
- m. Transformer nameplate rating: 34.5/4.16kV/2.4kV transformer
- n. Interconnection point:
At the Transmission Owner's 34.5kV substation on Block Island. The point of change of ownership is at Transmission Customer's Pole 3.
- o. Additional facilities and/or associated equipment:
- p. Service under this Local Service Agreement shall be subject to the following charges:
Any and all other applicable charges in accordance with the rates, terms and conditions of Schedule 21-RIE of the Tariff, including, without limitation:
- Monthly demand charges with PTF and non-PTF components
 - Transformer surcharge
 - Rolled-In Distribution Surcharge
 - Direct Assignment Facilities Charge for interconnection facilities in i. above
 - Meter Surcharge
 - Network load dispatch surcharge
 - Block Island Transmission System ("BITS") Surcharge (pursuant to Attachment 1)
- q. Additional terms and conditions:

Transmission Customer grants permission to Transmission Owner's engineering, distribution planning, transmission planning and T&D operations personnel to access any and all Transmission Customer RTU data which is telemetered to Transmission Owner's control room.

Transmission Owner agrees not to share this data with its sales and marketing personnel.

Transmission Customer understands that the source to the 34.5kV Block Island substation is a radial feed from the Transmission Owner's Wakefield Substation and that there will be an interruption to network service whenever the feeder breaker at Wakefield or the Block Island Transmission System is unavailable.

4. Planned work schedule.

Estimated Time

Milestone (Activity)	Period For Completion (# of months)
-------------------------	--

Construction Complete	03/22/2017
-----------------------	------------

In-Service Date	05/01/2017
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5. Payment schedule and costs.

(Study grade estimate, +____ % accuracy, year \$s)

Milestone	Amount (\$)
-----------	-------------

Transmission Customer has elected to pay for interconnection facilities in 3(i) via a Direct Assignment Facilities charge with no Contribution in Aid of Construction.

6. Policy and practices for protection requirements for new or modified load interconnections.

See Attachment E of Transmission Owner's Local Service Schedule 21- RIE

7. Insurance requirements.

See Attachment F of Transmission Owner's Local Service Schedule 21- RIE

PART III - Local Point-To-Point Service N/A

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.
4. Specifications for Local Point-To-Point Service.
 - a. Term of Transaction:
 - b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
 - c. Point(s) of Receipt:
 - d. Delivering Party:
 - e. Point(s) of Delivery:
 - f. Receiving Party:
 - g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
 - h. Designation of party(ies) subject to reciprocal service obligation:
 - i. Name(s) of any intervening Control Areas providing transmission service:
 - j. Service under this Local Service Agreement shall be subject to the following charges:

- k. Interconnection facilities and associated equipment:
 - l. Project name:
 - m. Interconnecting Transmission Customer:
 - n. Location:
 - o. Transformer nameplate rating:
 - p. Interconnection point:
 - q. Additional facilities and/or associated equipment:
 - r. Additional terms and conditions:
5. Planned work schedule.
- | Estimated Time | |
|----------------|-----------------------|
| Milestone | Period For Completion |
| (Activity) | (# of months) |
| | |
6. Payment schedule and costs.
- (Study grade estimate, +_____ % accuracy, year \$s)
- | Milestone | Amount (\$) |
|-----------|-------------|
| | |
7. Policy and practices for protection requirements for new or modified load interconnections.
8. Insurance requirements.

IN WITNESS WHEREOF, the Parties have caused this Local Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____	Authorized Representative	_____
Name: Jeffrey M. Wright	Title: President	Date

Transmission Owner:

By: _____	Authorized Representative	_____
Name: David Quier	Title: VP, Transmission & Substations	Date

The ISO:

By: _____	Authorized Representative	_____
Name:	Title:	Date

Attachment 1

Block Island Transmission System (BITS) Surcharge

This Attachment 1 applies to charges under the Tariff for Block Island Transmission System (BITS”) facilities owned or leased by the Transmission Owner and constructed to interconnect Transmission Customer and Deepwater Block Island Wind, LLC to the New England Transmission System in accordance with the Rhode Island General Laws, § 39-26.1-7, known as the Town of New Shoreham Project (“Project”). The intent of the Project is to facilitate the construction of a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland in order to: position the state to take advantage of the economic development benefits of the emerging offshore wind industry; promote the development of renewable energy sources that increase the nation’s energy independence from foreign sources of fossil fuels; reduce the adverse environmental and health impacts of traditional fossil fuel energy sources; and provide the Town of New Shoreham with an electrical connection to the mainland. Provided that the Project goes forward as intended, the annual costs incurred by The Narragansett Electric Company d/b/a Rhode Island Energy (“RIE”) for the BITS facilities shall be recovered annually from its customers and from Block Island Power Company (“BIPCO”) through a fully reconciling rate adjustment, the provisions of which are set forth below, subject to any federal approvals that may be required by law.

In addition to the other applicable charges specified for Local Network Service under Schedule 21-RIE of the Tariff, the Transmission Customer shall pay the Block Island Transmission Service Surcharge (“BITS Surcharge”) as set forth in this Attachment.

Description of Block Island Transmission System Facilities

For purposes of this Attachment, the BITS facilities, determined in accordance with the Rhode Island General Laws § 39-26.1-7(f), shall include the transmission cable between the Town of New Shoreham and the mainland of the state and related facilities. BITS is comprised of:

- 22 miles of 34.5kV submarine cable with fiber optic (communication) cable between the Town of New Shoreham and the mainland;
- New 34.5KV switching station on Block Island, including two switched reactors for voltage control;
- New 34.5KV switching in Narragansett, RI, including two switched reactors for voltage control;
- Approximately 0.86 miles of combined overhead and underground infrastructure on Block Island; and
- Approximately 2 miles of combined overhead and underground infrastructure on the mainland in the Town of Narragansett.

Calculation of BITS Surcharge

The monthly BITS Surcharge shall equal $1/12^{\text{th}}$ of the product of the Facilities Charge for BITS facilities multiplied by the BIPCO Share Percentage, where:

1. The Facilities Charge for BITS facilities shall become effective as of January 1, 2023 and shall equal the sum of the:
 - a. The BITS Gross Plant Investment, multiplied by the Annual Distribution Facilities Carrying Charge from Schedule 21-RIE, excluding (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, and (G) Primary Related Administrative and General Expense;
 - b. Actual BITS specific Municipal Tax Expense;
 - c. Actual BITS specific Operation and Maintenance Expense; and
 - d. 2.5% of Total Primary Related Administrative and General Expense.
2. The Facilities Charge will be updated annually on or about the June billing month of each year. The Facilities Charge will be subject to true-up on or about June in the following year for actual costs incurred. The true-up amount will be included in the monthly BITS Surcharge invoice following the calculation of the true-up.
3. The BIPCO Share Percentage for each year shall be BIPCO's Annual Peak Load Ratio Share from the prior calendar as long as BIPCO's Annual Peak Load Ratio Share falls within a range specified by the BIPCO Energy Ratio Collar. If the Annual Peak Load Ratio Share so calculated is less than the Minimum Energy Ratio Share, the BIPCO Share Percentage will be set at the Minimum Energy Ratio Share. If the Annual Peak Load Ratio Share so calculated is greater than the Maximum Energy Ratio Share, the BIPCO Share Percentage will be set at the Maximum Energy Ratio Share. The BIPCO Share Percentage shall be reset annually during the same month that the Facilities Charge is updated.
4. BIPCO's Annual Peak Load Ratio Share shall be determined as a percentage according to the following formula:

$$\text{BIPCO Annual Peak Load} / (\text{BIPCO Annual Peak Load} + \text{RIE Annual Peak Load})$$

5. BIPCO's Energy Ratio Collar shall be the range between the Minimum Energy Ratio Share and the Maximum Energy Ratio Share, each as determined as a percentage according to the following formula:

Minimum Energy Ratio Share

$$1.2 * \text{BIPCO Annual kWh} / (1.2 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

Maximum Energy Ratio Share

$$1.8 * \text{BIPCO Annual kWh} / (1.8 * \text{BIPCO Annual kWh} + \text{RIE Annual kWh})$$

The following illustrates the calculation of BIPCO's Annual Peak Load Ratio Share and its Energy Ratio Collar:

Illustrative Example:

2010 Annual Peak Load

- | | | |
|-----|--------------------------|---------------------|
| (1) | BIPCo Annual Peak Load = | 3,604 kW |
| (2) | RIE Annual Peak Load = | <u>1,843,989 kW</u> |
| (3) | Total Annual Peak Load = | 1,847,489 kW |
- (4) BIPCo Annual Peak Load Ratio Share $((1)/(3)) = 0.19508\%$

2010 Energy Ratio Collar

- | | | |
|-----|----------------------------|--------------------------|
| (1) | 1.2* BIPCO Annual Energy = | 13,369,466 kWh |
| (2) | RIE Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,765,256,466 kWh |
- (4) Minimum Energy Ratio Share $((1)/(3)) = 0.17217\%$
- | | | |
|-----|----------------------------|--------------------------|
| (1) | 1.8* BIPCO Annual Energy = | 20,054,199 kWh |
| (2) | RIE Annual Energy = | <u>7,751,887,000 kWh</u> |
| (3) | Total Annual Energy | 7,771,941,199 kWh |
- (4) Maximum Energy Ratio Share $((1)/(3)) = 0.25803\%$

Since the Annual Peak Load Ratio falls within the range identified by the Energy Ratio Collar, Transmission Customer's Share Percentage in this example would be 0.19508%.

Annual True-Up Adjustment

1. RIE shall submit an annual informational filing ("Initial Filing") with the Commission with copies to the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers and the Rhode Island Attorney General reconciling monthly billings to Transmission Customer under this formula to actual data (the "Annual True-up"). The Annual True-up will be completed no later than June 30 for the calendar year which the Annual True-up relates (the "Service Year"). The Annual True-up will reconcile any differences between a recalculation of the costs for the Service Year based on actual data, including data reported in Transmission Customer's Quarterly FERC Form 1s as compared to the monthly actual costs invoiced. The recalculation of the costs for the Service Year will be done using the following information:
 - a. return, associated income taxes and other expenses based on the gross plant value of the project, multiplied by the most recently available carrying charge,
 - b. actual operations and maintenance expenses incurred for the project,
 - c. actual property tax expenses incurred for the project,
 - d. fixed administrative and general expenses based on the most recently available total Transmission Owner administrative & general expense.
2. The difference, if any, between the monthly actual costs invoiced to Transmission Customer during the Service Year and the annual revenue requirement based on actual

data shall be reflected as an adjustment to the monthly revenue requirement calculation for the month following the month in which the Annual True-Up report is issued (the "Annual True-up Adjustment").

3. If the recalculation of costs for the Service Year using actual data exceeds the monthly billed amounts for the Service Year, the Annual True-up Adjustment will be an additional credit to Transmission Customer. If the monthly billed amounts for the Service Year exceed the recalculation of actual costs, the Annual True-up Adjustment will be a reduction to the credit to Transmission Customer. The Annual True-up Adjustment will be adjusted for interest, whether positive or negative, accrued monthly from December 31 of the Service Year to the end of the calendar month in which the Annual True-up Adjustment will be applied to a monthly billing. Interest shall accrue pursuant to the rate specified in the Commission's regulations 18 C.F.R §35.19a.
4. Any changes to the data inputs, including but not limited to Transmission Customer's FERC Form No. 1, or as the result of any Commission proceeding to consider the Annual True-up, or as a result of the procedures set forth herein not otherwise captured as part of ongoing Billing Adjustments, shall be incorporated into the formula rate and the charges produced by the BITS Surcharge (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual True-up for the next effective rate period.
5. In any proceeding before the Commission concerning the Annual True-up, the Transmission Owner shall bear the burden, consistent with Section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence challenges.

Information Exchange Process and Challenge Procedures

I. Information Exchange Process

- A. Interested Parties may participate in the Information Exchange Period. Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-up fails to include data properly recorded in accordance with the provisions of this Agreement;
 - c. The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;

- e. The accuracy of data included in the Annual True-up and the calculations and charges made therein;
- f. The consistency with the BITS Surcharge of data included in the Annual True-up;
- g. The prudence of actual costs and expenditures;
- h. The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to RIE for any other information that may have an effect on the calculation of the charge pursuant to the BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge formula is just and reasonable.

- B. RIE shall make a good faith effort to respond to any information requests pertaining to the Annual True-up in accordance within 15 days after receipt of the request but no later than October 30. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
- C. To the extent RIE and applicable Interested Parties are unable to resolve disputes related to information requests, RIE or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.

II. Challenge Procedures – Informal and Formal

- 1. Informal Challenges must be communicated to RIE in writing, which may be made electronically from June 30 through November 30 ("Review Period"). During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-up and notify RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-up as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-up. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-up shall bar pursuit of such issue with respect to that Annual True-up, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-up.
 - a. The Interested Party submitting an Informal Challenge to RIE must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and

documents, as applicable, to support its challenge. RIE shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30. RIE shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If RIE disagrees with such challenge, RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.

2. Interested Parties shall file Formal Challenges with the Commission on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.

a. A Formal Challenge shall:

i. Clearly identify the action or inaction in the current Annual True-up which is alleged to violate the BITS Surcharge or the provisions of this Agreement;

ii. Explain how the action or inaction violates the BITS Surcharge or the provisions of this Agreement;

iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:

(a) The extent or effect of an Accounting Change;

(b) Whether the Annual True-up fails to include data properly recorded in accordance with the provisions in this Agreement;

(c) The proper application of the BITS Surcharge to the Annual True-up and procedures in the provisions of this Agreement;

(d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;

(e) The accuracy of data included in the Annual True-up and the calculations and charges made therein;

(f) The consistency with the BITS Surcharge of data included in the Annual True-up.

(g) The prudence of actual costs and expenditures;

- (h) The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or
 - (i) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the BITS Surcharge.
 - iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
 - b. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on RIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on RIE's Informational Filing.
 - c. RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - d. In response to a Formal Challenge, RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the BITS Surcharge calculation consistent with the provisions of this Agreement and that it followed the applicable requirements and procedures in these protocols in that year's Annual True-up. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.
 - 3. Nothing herein shall be deemed to limit in any way the right of RIE to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the BITS Surcharge or any of its inputs, or to replace the BITS Surcharge with a stated rate, or the right of any other party to request such

changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.

4. No Interested Party shall seek to modify the BITS Surcharge under the Informal and Formal Challenge procedures (“Challenge Procedures”) set forth in the provisions of this Agreement, and the Annual True-up shall not be subject to challenge by anyone for the purpose of modifying the BITS Surcharge. Any modifications to the BITS Surcharge will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the BITS Surcharge must be made through the Challenge Procedures described in this Agreement or in a separate complaint proceeding.

Redline of Sections V and VI of ISO-NE OATT,
Attachment F, Appendix C

V. Information Exchange Process

1. Interested Parties may participate in the Information Exchange Period ~~in accordance with the Timeline.~~ Interested Parties shall mean the Transmission Customer, the Rhode Island Public Utilities Commission & Division of Public Utilities and Carriers, and the Rhode Island Attorney General. The Information Exchange Period shall extend from June 30 through September 30 during which the Interested Parties can serve reasonable information and discover requests on RIE. Information and document requests shall be limited to what may be reasonably necessary to determine:
 - a. The extent or effect of an Accounting Change;
 - b. Whether the Annual True-uUpdate fails to include data properly recorded in accordance with the provisions of this Agreementse Protocols;
 - c. The proper application of the BITS SurchargeFormula Rate to the Annual True-uUpdate and procedures in the provisions of this Agreementse Protocols;
 - d. The recording and accounting of costs pursuant to Commission accounting practices and procedures, or accounting practices applicable to municipal entities;
 - e. The accuracy of data included in the Annual True-uUpdate and the calculations and charges made therein;
 - f. The consistency with the BITS SurchargeFormula Rate of data included in the Annual True-uUpdate;
 - ~~g. The accuracy of the inputs in accordance with the Applicable Form to the extent applicable;~~
 - ~~h.g.~~ The prudence of actual costs and expenditures;
 - ~~i. Allocation of revenues or costs between Regional Service, Local Service and Schedule 12(C) categories; or~~
 - ~~j.h.~~ The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form.

Interested Parties may also submit reasonable discovery requests to ~~the PTO(s)RIE~~ for any other information that may have an effect on the calculation of the charge pursuant to the ~~Formula Rate~~BITS surcharge.

The information and document requests shall not otherwise be directed to ascertaining whether the BITS surcharge ~~fFormula Rate~~ is just and reasonable.

2. ~~The PTO(s)RIE~~ shall make a good faith effort to respond to any information requests pertaining to the Annual True-u~~Update~~ in accordance with in 15 days after receipt of the request but no later than October 30~~the Timeline~~. Information requests received after 4 p.m. Eastern Prevailing Time shall be considered received the next business day.
3. ~~The PTO(s) shall cause to be posted publicly all information requests from Interested Parties and the PTO's(s') response(s) to such requests; except, however, if responses to information and document requests include material deemed by the PTO(s) to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the applicable PTO(s) and the requesting party. In such a case, there will be a notice posted that the information requested is available pursuant to a confidentiality agreement.~~
4. ~~Subject to the confidentiality provisions in Section V.3 above, the PTOs shall not claim that responses to information and document requests pursuant to these Protocols are subject to any settlement privilege in any subsequent Commission proceeding addressing the PTOs 'Annual Update, or any other FERC proceeding and in any proceeding before an Article III court to review a FERC decision.~~
- 5.3. To the extent ~~the PTO(s)RIE~~ and applicable Interested Parties are unable to resolve disputes related to information requests, ~~the PTO(s)RIE~~ or applicable Interested Parties may avail themselves of the on-call settlement judge or the Commission's Office of Administrative Law Judges and Dispute Resolution to resolve such matters.
6. ~~Nothing herein shall prevent an Interested Party from addressing information and document requests to individual PTOs, including information and document requests concerning the allocation of costs among a PTO's Tariff Rates, or prevent individual PTOs from responding to such requests. Review of Local Service rates or Schedule 12C costs shall be limited to the Affected Parties.~~

VI. Challenge Procedures – Informal and Formal

1. Informal Challenges must be communicated to ~~the PTO(s)~~RIE in writing, which may be made electronically from June 30 through November 30 (“Review Period”); ~~in accordance with the Timeline~~. During the Review Period, Interested Parties may review the Accounting Changes (if any), inputs, supporting explanations, allocations, calculations or other information relating to the current Annual True-uUpdate and notify ~~the PTO(s)~~RIE of any specific Informal Challenges. Failure to pursue an issue through an Informal Challenge shall not bar pursuit of that issue as part of a Formal Challenge with respect to the same Annual True-uUpdate as long as the Interested Party has submitted an Informal Challenge on any issue with respect to that Annual True-uUpdate. Failure to submit a Formal Challenge regarding any particular issue as to a given Annual True-uUpdate shall bar pursuit of such issue with respect to that Annual True-uUpdate, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-uUpdate, ~~or an Annual Update correction under Section VII~~.
- a. The Interested Party submitting an Informal Challenge to ~~RIE~~the PTO(s) must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents, as applicable, to support its challenge. The PTO(s)~~RIE~~ shall make its best efforts to respond to any Informal Challenges within 20 days but no later than December 30~~in accordance with the Timeline~~. The PTO(s)~~RIE~~ shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If ~~the PTO(s)~~RIE disagrees with such challenge, ~~the PTO(s)~~RIE will provide the Interested Party(ies) with a written explanation supporting the inputs, explanations, allocations, calculations, or other information and why they disagree with the Informal Challenge.
- ~~b. The PTO(s) will cause to be posted publicly all Informal Challenges from Interested Parties and the PTO’s(s’) response(s) to such Informal Challenges; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by the PTO(s) to be confidential information, such information will not be publicly posted but will be provided by the PTO(s) to requesting parties pursuant to a confidentiality agreement to be executed by the PTO(s) and the requesting party. In such a case, there will be a notice posted that the information requested is available pursuant to a confidentiality agreement.~~

2. Interested Parties shall file Formal Challenges with the Commission ~~pursuant to these Protocols in accordance with the Timeline~~ on or before February 15. Formal Challenges shall only be initiated after the Informal Challenge process has been pursued and the results not found satisfactory to one or more of the Interested Parties making the Formal Challenge.
 - a. A Formal Challenge shall:
 - i. Clearly identify the action or inaction in the current Annual True-uUpdate which is alleged to violate the BITS Surcharge Formula Rate or ~~the provisions of this Agreement~~Protocols;
 - ii. Explain how the action or inaction violates the BITS Surcharge Formula Rate or ~~the provisions of this Agreement~~Protocols;
 - iii. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, which will include the following items, where applicable:
 - (a) The extent or effect of an Accounting Change;
 - (b) Whether the Annual True-uUpdate fails to include data properly recorded in accordance with ~~these~~ provisions in this AgreementProtocols;
 - (c) The proper application of the ~~Formula Rate~~BITS Surcharge to the Annual True-uUpdate and procedures in the provisions of this Agreement~~se Protocols~~;
 - (d) The recording and accounting of costs pursuant to Commission accounting practices and procedures or accounting practices applicable to municipal entities;
 - (e) The accuracy of data included in the Annual True-uUpdate and the calculations and charges made therein;
 - (f) The consistency with the ~~Formula Rate~~BITS Surcharge of data included in the Annual True-uUpdate.
 - ~~(g)~~ The accuracy of the inputs in accordance with the Applicable Form to the extent applicable;
 - ~~(h)~~(g) The prudence of actual costs and expenditures;

~~(j)(h)~~ The effect of any change to the underlying FERC Uniform System of Accounts, municipal entity equivalent, the Formula Rate template, or Applicable Form; or

~~(j)(i)~~ Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate BITS Surcharge.

- iv. Make a good faith effort to quantify the financial impact of the items comprising the Formal Challenge;
 - v. State whether the issues presented in the Formal Challenge are pending in an existing Commission proceeding or in any other proceeding of which the party is aware, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - vi. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - vii. Include all documents that support the facts in the Formal Challenge in possession of or otherwise obtainable by the filing party, including but not limited to affidavits; and
 - viii. State whether the filing party utilized the Informal Challenge procedures described in these Protocols to dispute the action or inaction raised by the Formal Challenge, and if not, why not.
- a. Any Interested Party filing a Formal Challenge with the Commission must serve a copy of the Formal Challenge on the PTO(s) and ISO-NERIE by electronic service on the date of such filing. The party filing the Formal Challenge shall serve the individuals listed as the contact person on the PTO'(s)'RIE's Informational Filing.
 - b. The PTO(s)RIE must respond to the Formal Challenge by the schedule established by the Commission.
 - c. In response to a Formal Challenge, the PTO(s)RIE shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has ~~(they have)~~ correctly applied the terms of the Formula Rate BITS Surcharge calculation consistent with the provisions of this Agreementse Protocols and the Tariff, and that it ~~(they)~~ followed the applicable requirements and procedures in these protocols in that year's Annual True-uUpdate. Nothing herein is intended to alter the burdens applied by the Commission with respect to prudence issues.

3. ~~Subject to any moratorium on changes to the Formula Rate, and the exceptions thereto, described in Attachment F to Section II of the ISO-NE Tariff, n~~Nothing herein shall be deemed to limit in any way the right of ~~any PTO~~^{PTO} to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the ~~Formula Rate~~^{BITS Surcharge} or any of its inputs, or to replace the ~~Formula Rate~~^{BITS Surcharge} with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder. ~~Subject to any moratorium described in the preceding sentence, f~~Failure to file an Informal Challenge or a Formal Challenge shall not bar anyone from making a Federal Power Act section 206 filing.
4. No Interested Party shall seek to modify the ~~Formula Rate~~^{BITS Surcharge} under the Informal and Formal Challenge procedures (“Challenge Procedures”) set forth in these ~~Protocols~~^{provisions of this Agreement}, and the Annual ~~True-up~~^{Update} shall not be subject to challenge by anyone for the purpose of modifying the ~~BITS Surcharge~~^{Formula Rate}. Any modifications to the ~~Formula Rate~~^{BITS Surcharge} will require, as applicable, a Federal Power Act section 205 or section 206 filing.
5. Any challenges by an Interested Party to the implementation of the ~~Formula Rate~~^{BITS Surcharge} must be made through the Challenge Procedures described in ~~Section VI of these Protocols~~^{this Agreement} or in a separate complaint proceeding.
6. ~~Subject to Section VII, relating to Corrections to Annual Update, if no Formal Challenges are filed in accordance with these Protocols, then the transparency and challenge procedures related to the Annual Update, as contemplated in this Protocol document, shall be deemed complete for that Annual Update.~~
7. ~~Informal and Formal Challenges by an Interested Party regarding a single PTO’s costs, expenditures or data included in the Annual Update, including Informal and Formal Challenges concerning the allocation of costs among a PTO’s Tariff Rates, shall be directed to such PTO. Informal and Formal Challenges of Local Service rates or Schedule 12C costs shall be limited to the Affected Parties.~~