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September 12, 2017

Mark D. Marini, Secretary
Department of Public Utilities
One South Station, 5th Floor
Boston, MA 02110

Re: Joint Petition of Massachusetts Electric Distribution Companies for Approval of Model Solar Massachusetts Renewable Target (SMART) Program Tariff

Dear Secretary Marini:

Chapter 75 of the Acts of 2016, An Act Relative to Solar Energy, was signed into law on April 11, 2016 (the "Act"). Section 11(b) of the Act directed the Department of Energy Resources ("DOER") to develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental and industrial electricity customers throughout the Commonwealth, and promulgate rules and regulations implementing the program. On August 25, 2017, the DOER's final Solar Massachusetts Renewable Target (SMART) Program regulations were published as 225 C.M.R. § 20.00 (the "SMART Regulations"). The SMART Regulations establish a voluntary statewide solar incentive program pursuant to the Act and G.L. c. 25A, § 6. In order to implement the SMART Program, the SMART Regulations direct the distribution companies to create a SMART tariff to be approved by the Department of Public Utilities ("Department").

By this filing, Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy (collectively, the "Distribution Companies") are submitting a joint model SMART tariff for review and approval by the Department. The Distribution Companies each intend to file a final compliance tariff if the Department approves the model tariff.

In support of the Distribution Companies' request, the Distribution Companies are enclosing a joint petition and the joint testimony and exhibits of Brian J. Rice, Jeanne A. Lloyd and Karen M. Asbury. The joint testimony discusses: (1) requirements for customer participation in the SMART Program, including interconnection, metering and ISO-New England registration requirements; (2) the issuance of incentive payments under the model tariff; (3) the form of Alternative On-Bill Credits; and (4) the Distribution Companies' proposal for cost recovery through a SMART Factor.

A fling fee of $100 is enclosed. Please contact any of the undersigned counsel if you have any questions regarding this filing.

Respectfully Submitted,

DISTRIBUTION COMPANIES

By their attorneys,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY d/b/a UNITIL

Gary Epler (AT)

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By its attorney,
Gary Epler, Esq.
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6 Liberty Lane West
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NSTAR ELECTRIC COMPANY AND WESTERN MASSACHUSETTS ELECTRIC COMPANY D/B/A EVERSOURCE ENERGY

John K. Habib

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By its attorneys,
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MASSACHUSETTS ELECTRIC COMPANY and NANTUCKET ELECTRIC COMPANY d/b/a NATIONAL GRID

By its attorney,

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COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

Joint Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid, and NSTAR Electric Company and Western Massachusetts Electric Company d/b/a Eversource Energy for approval of a model tariff to implement the SMART Program pursuant to G.L. c. 164, § 94	)	D.P.U. 17-______

JOINT PETITION

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil"), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid ("National Grid"), and NSTAR Electric Company and Western Massachusetts Electric Company, each d/b/a Eversource Energy ("Eversource") (together, the "Distribution Companies"), hereby seek certain approvals and findings from the Department of Public Utilities ("Department") pursuant to G.L. c. 164, § 94 for approval of a model tariff setting forth terms for the Distribution Companies to issue incentive payments to customers, and seek cost recovery for incremental costs incurred pursuant to the Department of Energy Resources ("DOER") Solar Massachusetts Renewable Target ("SMART") Program, 225 C.M.R. § 20.00 <u>et</u> <u>seq.</u> The model tariff (the "SMART Provision") has been jointly developed by the Distribution Companies and is being presented together with this petition and joint testimony. Should the Department approve the SMART Provision, the Distribution Companies each intend to file a compliance tariff following the Department's order.

The SMART Provision includes provisions for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill

Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental administrative costs associated with the implementation and operation of the SMART Program. The Distribution Companies are seeking approval of the SMART Provision in its entirety, but note that the form of Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit and the basis upon which Incentive Payments and Alternative On-Bill Credits are determined are fixed by the final promulgated SMART Program regulations set forth at 225 C.M.R. § 20.00 et seq. and are therefore beyond the scope of this petition.

The Distribution Companies state the following in support of this petition:

1. Unitil is a gas and electric distribution company operating in Massachusetts subject to the regulatory jurisdiction of the Department pursuant to G.L. c. 164, with a principal place of business at 285 John Fitch Highway, Fitchburg, MA 01420.

2. National Grid is an electric distribution company operating in Massachusetts subject to the regulatory jurisdiction of the Department pursuant to G.L. c. 164, with a principal place of business at 40 Sylvan Road, Waltham, MA 02451.

3. Eversource is an electric distribution company operating in Massachusetts subject to the regulatory jurisdiction of the Department pursuant to G.L. c. 164, with a principal place of business at 247 Station Drive, Westwood, MA 02090.

4. Chapter 75 of the Acts of 2016, An Act Relative to Solar Energy, was signed into law on April 11, 2016 (the "Act"). Section 11(b) of the Act directed the DOER to develop a statewide solar incentive program to encourage the continued development of solar renewable energy generating sources by residential, commercial, governmental, and industrial electricity

customers throughout the Commonwealth, and promulgate rules and regulations implementing the program.

5. On August 25, 2017, the DOER's final SMART Program regulations were published as 225 C.M.R. § 20.00 (the "SMART Regulations").

6. The SMART Program establishes a voluntary statewide solar incentive program pursuant to the Act and G.L. c. 25A, § 6, to encourage the continued use and development of generating units that use solar photovoltaic technology by residential, commercial, governmental, and industrial electricity customers throughout the Commonwealth. Owners of qualifying generation units that choose to participate in the SMART Program will receive an incentive payment from the interconnecting Distribution Company in exchange for the transfer of all Renewable Portfolio Standard ("RPS") Class I Renewable Generation Attributes or any other Environmental Attributes associated with the electricity generated by the participating Solar Tariff Generation Unit, pursuant to the terms set forth in the SMART Regulations.

7. The SMART Program also provides for Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit, as referenced in the SMART Regulations at 225 C.M.R. § 20.02.

8. The SMART Regulations contemplate a SMART Tariff to implement the incentive program to be filed by each individual Distribution Company for review and approval by the Department and any other appropriate jurisdictional regulatory bodies. 225 C.M.R. § 20.02. Solar Tariff Generation Units selected in the initial procurement process are not eligible to receive compensation from the Distribution Companies until the Department approves the SMART Tariff. 225 C.M.R. § 20.07(3)(a)(11).

9. The Distribution Companies have jointly developed the SMART Provision to: (1) implement the SMART Program as set forth in 225 C.M.R. § 20.00 et seq.; and (2) provide a means to obtain cost recovery for the incremental costs associated with implementing the SMART Program.

10. The SMART provision is consistent with 225 C.M.R. § 20.00 et seq. and the Act.

11. The joint testimony of Brian J. Rice, Jeanne A. Lloyd, and Karen M. Asbury, Exhibit JDT-1 submitted with this petition, introduces and explains the proposed SMART Provision. The joint testimony discusses: (1) requirements for customer participation in the SMART Program, including interconnection, metering, and ISO-New England registration requirements; (2) the issuance of incentive payments under the SMART provision; (3) the form of Alternative On-Bill Credits; and (4) the Distribution Companies' proposal for cost recovery through a SMART Factor.

12. Each of the Distribution Companies intends to make a compliance filing with a final tariff if the Department approves the SMART Provision.

13. The Distribution Companies are not seeking approval of any specific costs at this time and anticipate filing their first respective SMART Factors for approval no earlier than 30 days after the Department issues any final order approving a company's compliance tariff.

WHEREFORE, for all the reasons set forth in the testimony and exhibits of the Distribution Companies' witnesses, the Distribution Companies respectfully request that the Department make the following findings and approvals:

(a) That the Distribution Companies' overall SMART Program compensation proposal included in the SMART Provision is consistent with 225 C.M.R. § 20.00 and Chapter 75 of the Acts of 2016;

(b) That the Distribution Companies' SMART Provision proposal for the recovery of costs of the SMART Program, developed pursuant to 225 C.M.R. § 20.00, is designed to produce just and reasonable rates under G.L. c. 164, § 94; and

(c) That the overall terms and conditions included in the SMART Provision are reasonable.

Respectfully Submitted,

DISTRIBUTION COMPANIES

By their attorneys,

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY d/b/a UNITIL

Gary Epler (AT)

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NSTAR ELECTRIC COMPANY AND WESTERN MASSACHUSETTS ELECTRIC COMPANY D/B/A EVERSOURCE ENERGY

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Dated: September 12, 2017

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 17-XXX

JOINT TESTIMONY OF

BRIAN J. RICE
JEANNE A. LLOYD
KAREN M. ASBURY

ON BEHALF OF
NSTAR ELECTRIC COMPANY
WESTERN MASSACHUSETTS ELECTRIC COMPANY
d/b/a EVERSOURCE ENERGY
MASSACHUSETTS ELECTRIC COMPANY AND NANTUCKET ELECTRIC COMPANY d/b/a NATIONAL GRID
FITCHBURG GAS AND ELECTRIC LIGHT COMPANY d/b/a UNITIL

EXHIBIT JDT-1

SEPTEMBER 12, 2017

I. INTRODUCTION

Q. Mr. Rice, please state your name, position and business address.

A. My name is Brian J. Rice. My address is 247 Station Drive, Westwood, Massachusetts 02090. I am Senior Analyst, Regulatory Projects for Eversource Energy Service Company.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of NSTAR Electric Company and Western Massachusetts Electric Company, d/b/a Eversource Energy ("Eversource").

Q. Please summarize your education and professional experience.

A. I graduated from Union College in Schenectady, New York in 2004 with a Bachelor of Science degree in Industrial Economics and received a Master of Business Administration degree with a concentration in corporate finance in 2011 from the Boston College Carroll Graduate School of Management in Chestnut Hill, Massachusetts. I have held multiple Senior Analyst positions in different functions at Eversource since 2011. My present responsibilities include preparing analysis and providing project management support for key enterprise-wide regulatory initiatives across Eversource's operating businesses. Previously I supported wholesale energy and renewable energy certificate procurement activities for Eversource. Prior to joining Eversource I held consulting positions covering various segments of the energy and utility industries.

Q. Have you previously testified before the Department?

A. Yes. I testified in D.P.U. 16-105 regarding utility-owned solar and D.P.U 15-122 regarding Grid Modernization proposals.

Q. Ms. Lloyd, please state your name and business address.

A. My name is Jeanne A. Lloyd, and my business address is 40 Sylvan Road, Waltham, Massachusetts 02451.

Q. By whom are you employed and in what capacity?

A. I am a Principal Program Manager in Electric Pricing, New England in the Regulation and Pricing group of National Grid USA Service Company, Inc., a subsidiary of National Grid USA. This department provides rate-related support to Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (together, “National Grid”).

Q. On whose behalf are you testifying?

A. I am testifying on behalf of National Grid.

Q. Please describe your educational background and training.

A. In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor’s degree in English. In December 1982, I received a Master of Arts degree in Economics from Northern Illinois University in DeKalb, Illinois.

Q. Please describe your professional experience.

A. I was employed by Eastern Utilities Association (“EUA”) Service Corporation in December 1990 as an Analyst in the Rate Department. I was promoted to Senior Rate Analyst on January 1, 1993. As a Senior Rate Analyst, my responsibilities included the study, analysis and design of the retail electric service rates, rate riders, and special contracts for the EUA retail companies. After the merger of New England Electric System and EUA in April 2000, I joined the Distribution Regulatory Services Department as a Principal Financial Analyst. I was promoted to Manager of New England Electric Pricing on October 1, 2006. I assumed my present position in July 2014. Prior to my employment at EUA, I was on the staff of the Missouri Public Service Commission in Jefferson City, Missouri in the position of research economist. My responsibilities included presenting both written and oral testimony before the Missouri Public Service Commission in the areas of cost of service and rate design for electric and natural gas rate proceedings.

Q. Have you previously testified before the Department or any other regulatory commission?

A. Yes. I have testified before the Department on numerous occasions in support of various rate-related issues, as well as the Rhode Island Public Utilities Commission.

Q. Ms. Asbury, please state your name and business address.

A. My name is Karen M. Asbury. My business address is 6 Liberty Lane West, Hampton, New Hampshire 03842.

Q. By whom are you employed and in what capacity?

A. I am Director of Regulatory Services for Unitil Service Corp., an affiliate of Fitchburg Gas and Electric Light Company d/b/a Unitil. Both companies are members of the Unitil System and subsidiaries of Unitil Corporation. Unitil Service Corp. provides various professional services, including financial, regulatory and other administrative services to the subsidiaries of Unitil Corporation.

Q. On whose behalf are you testifying?

A. I am testifying on behalf of Fitchburg Gas and Electric Light Company, d/b/a Unitil ("Unitil").

Q. Please describe your educational background and professional experience.

A. In 1987, I graduated from the University of New Hampshire with a Bachelor of Science Degree in Mathematics. I joined Unitil Service Corp. in January 1988 and have held various positions in the regulatory/rate department. In my current position, I am responsible for directing regulatory filings, pricing research, analysis, and design, tariff administration, revenue requirements calculations, customer research, and other analytical services.

Q. Have you previously testified before the Department or any other regulatory commission?

A. Yes, I have previously testified on numerous occasions before the Department. I have also testified before the New Hampshire Public Utilities Commission and participated in the preparation of filings for the Maine Public Utilities Commission and Federal Energy Regulatory Commission.

Q. What is the purpose of your joint testimony?

A. The purpose of this joint testimony is to propose a model tariff that has been jointly developed by Eversource, National Grid, and Unitil (together, the "Distribution

Companies"; each a "Distribution Company") associated with the Distribution Companies' implementation of the Solar Massachusetts Renewable Target ("SMART") Program regulations promulgated by the Department of Energy Resources ("DOER") at 225 C.M.R. § 20.00 (the "SMART Regulations"). The model SMART tariff is provided as Exhibit JDT-2.[1] If the model is approved by the Department, the Distribution Companies each intend to file a compliance tariff following the Department's order.

It is important to note that this testimony is limited to providing support for the proposed SMART tariff and describing the rationale and purpose of specific language and sections contained therein, in order to allow implementation of the SMART Program by the Distribution Companies, in compliance with the SMART Regulations. This testimony does not reach or opine upon the content of the SMART Regulations promulgated by the DOER pursuant to Chapter 75 of the Acts of 2016.

II. PURPOSE OF SMART PROVISION

Q. Under what authority are the Distribution Companies proposing the SMART Provision?

A. The operation of the SMART Provision is pursuant to the SMART Regulations, Chapter 75 of the Acts of 2016, §11 (the "Act"), and G.L. c. 164, §94.

Q. What is the SMART Program?

A. The SMART Program establishes a voluntary statewide solar incentive program pursuant

[1] The model tariff is labelled and internally referenced as the "SMART Provision" which is a moniker typically used by National Grid for their tariffs. If the model tariff is approved by the Department, Eversource and Unitil will use company-specific monikers to name their respective SMART tariffs.

to the Act and G.L. c. 25A, § 6, to encourage the continued use and development of generating units that use solar photovoltaic technology by residential, commercial, governmental, and industrial electricity customers throughout the Commonwealth. Owners of qualifying generation units that choose to participate in the SMART Program will receive an incentive payment from the interconnecting Distribution Company in exchange for the transfer of all Renewable Portfolio Standard ("RPS") Class I Renewable Generation Attributes or any other Environmental Attributes associated with the electricity generated by the participating Solar Tariff Generation Unit, pursuant to the terms set forth in the SMART Regulations. In addition, the SMART Program also provides for Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit, as referenced in the SMART Regulations at 225 C.M.R. § 20.02.

Q. Given that the SMART Program is designed pursuant to regulations promulgated by the DOER, why must the Distribution Companies adopt a tariff associated with its implementation?

A. Due to the active role that the Distribution Companies will take in the operation of the SMART Program through the issuance of incentive payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes and Alternative On-Bill Credits, and the retention of a third-party Solar Program Administrator ("SPA") (as defined in 225 C.M.R. § 20.02), the SMART Program regulations contemplate the Distribution Companies submitting a "SMART Tariff" to "implement the incentive program contemplated [in 225 C.M.R. § 20.00] to be filed by each individual Distribution Company for review and approval by [the Department] and any other appropriate jurisdictional regulatory bodies." 225 C.M.R. § 20.02.

Q. What does the SMART Provision provide?

A. The SMART Provision provides for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental costs associated with the implementation and operation of the SMART Program. As described further in the SMART Provision and herein, the SMART Provision provides overall compensation for eligible Solar Tariff Generation Units in different ways, based on whether they are a Net Metered Generation Unit, a Non-net Metered Generation Unit, a Behind-the-Meter Solar Tariff Generation Unit, or choose to participate as an Alternative On-Bill Credit Generation Unit, as those terms are defined in 225 C.M.R. § 20.02.

Pursuant to Section 10 of the Smart Provision, all Solar Tariff Generation Units with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the Solar Tariff Generation Unit's Commercial Operation Date. All Solar Tariff Generation Units with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the Solar Tariff Generation Unit's Commercial Operation Date. Once approved, company-specific versions of this tariff will remain in effect until the costs incurred to administer the

SMART Program have been fully recovered through the SMART Factors (as defined in Section 13.0 of the SMART Provision)[2] and termination of this tariff has been granted by the Department.

III. SMART PROGRAM PARTICIPATION REQUIREMENTS

Q. Are there any conditions for participation in the SMART Program?

A. Yes. The SMART Regulations include conditions for participation in the SMART Program. Terms and conditions for participation in the SMART Program, including requirements associated with interconnection, metering, and ISO-New England ("ISO-NE") reporting, among others, are expanded upon for administrative implementation purposes in Section 3.0, Section 4.0, Section 5.0 and Section 6.0 of the SMART Provision, as described herein.

Q. What interconnection requirements are included in the SMART Provision?

A. All customers participating in the SMART Program must comply with the Distribution Companies' respective Standards for Interconnection of Distributed Generation tariff ("Interconnection Tariff") and their respective Terms and Conditions for Distribution Service, as applicable and as may be amended from time to time, based on the location of the Solar Tariff Generation Unit.

Q. What metering requirements associated with the SMART Program is each Distribution Company proposing?

[2] As noted in Section VI, herein, the Distribution Companies are not seeking approval of any specific SMART Factors at this time.

A. Each Distribution Company will own, install, and maintain a meter on each Solar Tariff Generation Unit. Monthly readings from the meter will be used to determine Incentive Payments pursuant to Section 7.0 of the SMART Provision. Each Standalone Solar Tariff Generation Unit may be metered by the Distribution Company whose electric power system is interconnected to the Solar Tariff Generation Unit through a single metering point with a meter that complies with the metering standards applicable to the size of the Solar Tariff Generation Unit as defined in each Distribution Company's Interconnection Tariff. All other Solar Tariff Generation Units located behind a customer's electric service meter that has On-Site Load other than parasitic or station service load must be separately metered by the company by a production meter separate from the service meter. Each Distribution Company will own, install, and maintain the production meter that complies with the metering standards applicable to the size of the Solar Tariff Generation Unit as defined in each company's Interconnection Tariff, or a production meter which is specified by the company to meet operational and/or planning requirements. The Distribution Companies may assess the customer for the installed cost of the additional meter.

Q. What ISO-NE-related requirements are included in the SMART Provision associated with the settlement of Renewable Energy Certificates?

A. As noted in Sections 6.3.1 and 6.3.2 of the SMART Provision, with regard to the settlement of Renewable Energy Certificates ("RECs"), there will be different obligations for: (1) Solar Tariff Generation Units that are either (i) up to 60 kW or (ii) 60 kW or greater and are connected behind a meter measuring On Site Load (i.e., on-site load other than parasitic or station service load); and (2) Stand-alone Solar Tariff Generation Units greater than 60 kW. First, Solar Tariff Generation Units that are up to 60 kW or are 60 kW or greater and are connected behind a meter measuring On Site Load will be required to provide all necessary information to, and cooperate with, the applicable Distribution Company to enable that Distribution Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs. Further, such units will be required to direct all RECs generated by the unit to the appropriate Distribution Company's NEPOOL-GIS account. To help accomplish this, the Owner or Authorized Agent shall provide approvals or assignments, including, but not limited to, completing the applicable company's Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the Solar Tariff Generation Unit's participation in asset aggregation or other model of asset registration and reporting for the term of enrollment in this tariff. This form will be collected by the SMART Program Administrator and provided to the respective company. Second, Stand-alone Solar Tariff Generation Units greater than 60 kW will be required to register with the NEPOOL-GIS and enroll in a Forward Certificate Transfer of RECs to the appropriate Distribution Company NEPOOL-GIS account for the term of enrollment in this tariff. The SPA will collect evidence that the Stand-alone Solar Tariff Generation Unit has so enrolled, and it will provide such evidence to the Distribution Company.

Q. Are there any ISO-NE related requirements associated with the energy produced by Alternative On-Bill Credit Generation Units?

A. As noted in Section 6.3.3 of the SMART Provision, with regard to the settlement of energy by Alternative On-Bill Credit Generation Units, the Owner or Authorized Agent of a Solar Tariff Generation Unit will be required to provide all necessary information requested by the Distribution Company or ISO-NE, as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.

Q. Are there any requirements regarding the settlement of capacity?

A. As noted in Section 6.3.4 of the SMART Provision, with regard to the settlement of capacity, if the Distribution Company elects to qualify a Solar Tariff Generation Unit to participate in ISO-NE's Forward Capacity Market ("FCM"), the Owner or Authorized Agent will be required to: (1) furnish all necessary information as well as follow all requirements for all applicable market rules needed to set up, register, qualify, or participate in the FCM; (2) respond to a request for information or action within five Business Days; and (3) provide any data within two Business Days of a request. In addition, Owners or Authorized Agents will be required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

Q. How do the Distribution Companies intend to use the net proceeds associated with the purchase of RECs, energy, and capacity?

A. As noted herein in Section VI, any Market Revenues received by the Distribution Companies associated with RECs, energy, and/or capacity of Solar Tariff Generation Units will be credited to customers. Market Revenue is defined in the SMART Provision as (1) the value or net proceeds from the sale or use of the RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART Provision; (2) net proceeds from the sale of energy generated by Alternative On-Bill

Credit Generation Units greater than 60 kW or the market value of energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW used by the company for Basic Service; and (3) if the company elects to bid capacity into the FCM, the net proceeds received by the company.

IV. INCENTIVE PAYMENTS

Q. Who may receive Incentive Payments through the SMART Provision?

A. Pursuant to Section 3.0, Incentive Payments provided for under the SMART Provision will be available to an Owner or Authorized Agent of a Solar Tariff Generation Unit, as those terms are defined in the SMART Provision, that has received a Statement of Qualification from the DOER and has a total installed capacity of less than or equal to five megawatts (AC) and is interconnected to the Distribution Company's electric distribution system.

Q. What products are covered by the Incentive Payment?

A. The Incentive Payment is defined under the SMART Provision as "the payment to a Solar Tariff Generation Unit, including an Alternative On-Bill Credit Generation Unit, for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by these units." Environmental Attributes include "any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Solar Tariff Generation Unit during the term of service." Pursuant to Section 6.3 of the SMART Provision, the Distribution Companies shall have the irrevocable right and title to the RPS Class I Renewable Generation Attributes and/or Environmental Attributes of all participating Solar Tariff Generation Units for the term of the SMART Provision. The Distribution Company will also have irrevocable rights and title to the capacity of Qualifying Facilities that choose to participate in the SMART Program.

Q. How will the Incentive Payment be calculated?

A. The Incentive Payment calculation is set out in Section 7.0 of the SMART Provision, in accordance with the formula specified by the DOER in 225 C.M.R. § 20.08. The Distribution Company will calculate the Incentive Payment for each monthly billing period. Compensation Rates and, if applicable, Compensation Rate Adders, and/or Greenfield Subtractors, will be determined by the DOER or its agent as authorized in the Statement of Qualification. Those rates, adders, and /or subtractors applicable to each Solar Tariff Generation Unit will not change during the Solar Tariff Generation Unit's participation in the SMART Program, unless as directed by the DOER, the Solar Program Administrator, or the Department.

Q. How do the Distribution Companies propose to deliver the Incentive Payment to the Owner or Authorized Agent of a Solar Tariff Generation Unit?

A. As provided in Section 8.0 of the SMART Provision, the Distribution Company will disburse Incentive Payments in the form of a paper or electronic check as specified on a Payment/Credit Form, to the Solar Tariff Generation Unit's Owner or Authorized Agent. If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the Payment/Credit Form. Pursuant to Section 2.18 of the SMART Provision, the

Payment/Credit Form will be a form or online application provided by each company and submitted by the Owner or Authorized Agent before the Commercial Operation Date of the Solar Tariff Generation Unit, and updated no more than two times during a 12-month period, unless allowed by the Distribution Company to be updated more frequently, containing all required information necessary to process monthly Incentive Payments and Alternative On-Bill Credits.

V. ALTERNATIVE ON-BILL CREDITS

Q. Why are the Distribution Companies proposing to provide Alternative On-Bill Credits through the SMART Provision?

A. The Alternative On-Bill Credits will provide a means for Standalone Solar Tariff Generation Units that are not served on the Distribution Company's Net Metering tariff pursuant to 220 C.M.R. § 18.00 or qualifying facilities tariff pursuant to 220 C.M.R. § 8.00 to allocate a portion of total compensation to end-use customers. The Alternative On-Bill Credit system was developed by the DOER with input from stakeholders. Standalone Solar Tariff Generation Units may enroll to receive Alternative On-Bill Credits on a voluntary basis.

The Alternative On-Bill Credit provision is included in the SMART Program as an alternative to participating in a Distribution Company's net metering tariff or qualifying facilities tariff. As discussed further below, the Alternative On-Bill Credit option is intended to provide greater access to the SMART Program, consistent with the DOER's stated intent in 225 C.M.R. § 20.01.

Q. What are the requirements for a Standalone Solar Tariff Generation Unit that elects to receive Alternative On-Bill Credits?

A. Facilities receiving Alternative On-Bill Credits are referred to under 225 C.M.R. § 20.00 and the SMART Provision as Alternative On-Bill Credit Generation Units. An Alternative On-Bill Generation Unit must be a Standalone Solar Tariff Generation Unit and cannot be compensated for energy generated pursuant to 220 C.M.R. §§ 8.00 or 18.00. In addition, energy produced by Alternative On-Bill Credit Generation Units must be delivered to the company in the company's ISO–NE load zone at the delivery node associated with the Solar Tariff Generation Unit.

Q. How will Alternative On-Bill Credits be calculated?

A. The Alternative On-Bill Credit will comprise a portion of the total Incentive Payment as set forth in Section 7.0(4) of the SMART Provision. Specifically, the total amount available to be credited on customer bills for Alternative On-Bill Credit Units will be equal to the Value of Energy for these units, which is calculated as the total kilowatt-hours generated during a billing period multiplied by the rate for Basic Service applicable to the Alternative On-Bill Credit Generation Unit's rate class in effect during the billing period. The Alternative On-Bill Credit will be applied to the single billing account associated with the Alternative On-Bill Credit Generation Unit, except as discussed below.

Q. Please explain why the Alternative On-Bill Credit rate is set at the Basic Service rate.

A. The Basic Service rate was identified as an appropriate basis upon which to determine

Alternative On-Bill Credits through the stakeholder process conducted by the DOER. The Basic Service rate is an established and transparent price that can be readily identified by customers on a retail electric bill or from each company's website. Using the Basic Service rate to determine the value of Alternative On-Bill Credits is more administratively efficient than calculating a varying wholesale rate.

Q. Can Alternative On-Bill Credits be transferred to other customer accounts?

A. Yes. Alternative On-Bill Credits may be transferred to other customer accounts within the Distribution Company's service territory, provided that the Owner of the Alternative On-Bill Credit Generation Unit completes a Payment/Credit Form indicating the estimated annual production from the Alternative On-Bill Credit Generation Unit, the billing accounts to receive an allocation of the Alternative On-Bill Credit, and the percentage allocation that each recipient account is to receive. Credits may only be transferred to other customers within the Distribution Company's service territory.

Q. May Alternative On-Bill Credits be transferred across ISO-NE load zones?

A. Provided all recipients are in a Distribution Company's service territory, Alternative On-Bill Credits may be transferred across ISO-NE load zones.[3]

Q. Is there a limit on the amount of credits that may be transferred?

A. The amount of credits that may be transferred to each recipient customer shall be limited

[3] For Eversource, Alternative On-Bill Credits may not be transferred between the NSTAR Electric service territory and the Western Massachusetts Electric service territory, as these companies are separate legal entities with separate billing systems.

to the customer's historic or estimated annual usage. The Payment/Credit Form must include the annual average usage of each Alternative On-Bill Credit recipient. If an account has not been established for 12 months, the company will estimate the annual usage. The Distribution Company will require the allocation to Alternative On-Bill Credit recipients be based on the annual average usage of the recipient for the most recently available 12 months of billing divided by the estimated annual production of the Alternative On-Bill Credit Generation Unit. This limitation is intended to deter customers from over-allocating credits resulting in an excess balance that cannot be monetized by the recipient.

Q. Will the Solar Tariff Generation Unit be permitted to bank the value of credits if they exceed the amount owed on the unit's electric service bill?

A. Alternative On-Bill Credits that are not allocated to recipients during a billing period may carry over to multiple billing periods. However, at its option, a Distribution Company may pay the Owner or a designated recipient a lump sum amount for any Alternative On-Bill Credit balance remaining on the Alternative On-Bill Credit Generation Unit billing account at the end of a 12-month period adjusted by the ratio of the average ISO-NE Locational Marginal Pricing ("LMP") rate that was realized by the settlement of the output of the Solar Tariff Generation Unit with ISO-NE over the course of the year divided by the average Basic Service rate for the year. For example, if the Alternative On-Bill Credit Generation Unit had $100 remaining at the end of a 12-month period, and further assume that during the same period the ISO-NE LMP rate that was applied to the Alternative On-Bill Credit Generation Unit's output was 5 cents per kWh and the average

Basic Service rate for the period was 8 cents per kWh, the company would pay the Owner or designated recipient $62.50 (5 cents ÷ 8 cents = 62.5% x $100 = $62.50).

Q. What do the Distribution Companies intend to do with the energy and/or capacity acquired from Alternative On-Bill Credit Generation Units?

A. A Distribution Company will settle energy from Alternative On-Bill Credit Generation Units greater than 60 kW or use the energy from those units as another source of supply for Basic Service (if such use is approved by the Department). The Distribution Company may also, at its option, choose to settle the capacity in the FCM. An Owner or Authorized Agent of an Alternative On-Bill Credit Generation Unit must provide all necessary information and follow all requirements for all applicable market rules needed to set up the generation asset with ISO-NE for the settlement of energy, or to qualify the asset as a Capacity Resource in the FCM.

VI. COST RECOVERY

Q. What costs are the Distribution Companies proposing to recover through the SMART Provision?

A. The Distribution Companies are proposing to recover the annual incremental costs associated with the SMART Program incurred during the applicable 12-month period through the SMART Factors. The SMART Factors shall include estimated Incentive Payments and Alternative On-Bill Credits less estimated Market Revenue. The Distribution Companies also intend to recover incremental administrative costs, including, but not limited to: costs for the Solar Program Administrator paid by the Companies; costs associated with upgrading existing billing systems to administer

Incentive Payments and Alternative On-Bill Credits; incremental personnel costs (which may include new or existing employees, part-time employees, or outside contractors); costs for additional meters associated with the Solar Tariff Generation Units and incremental meter reading costs, if any. Each Distribution Company will reflect actual Incentive Payments, Alternative On-Bill Credits, and Market Revenue, along with actual incremental administrative costs, in determining the amount it has under or over-recovered through the applicable year's SMART Factors.

Q. Please explain how the SMART Factors will be calculated.

A. The calculation of the SMART Factors is described in Section 13.0 of the SMART Provision. The amount to be recovered through the SMART Factors on an annual basis is calculated as the sum of the 1) estimated annual Incentive Payments and Alternative On-Bill Credits less estimated Market Revenue; 2) the Administrative Costs incurred during the prior program year; and 3) a reconciliation amount that is the difference between (a) the actual Incentive Payments, Alternative On-Bill Credits, Market Revenue and administrative costs incurred in the prior program year and (b) the amount of revenue billed by the Distribution Company through the SMART Factors during the prior year, including interest at the Prime Rate. The amount to be recovered through the SMART Factors will be allocated to each rate class based upon the Distribution Revenue Allocator approved by the Department in the Distribution Company's most recent general rate case. The SMART Factors applicable to each class will be determined by dividing the amount of expense allocated to each class by the forecasted number of bills for each rate class.

The SMART Factors applicable to the streetlighting classes will be based on number of lighting fixtures rather than number of bills. Exhibit JDT-3 includes an illustrative calculation of the SMART Factors and the annual reconciliation process. All figures presented in Exhibit JDT-3 are for illustration only. Page 1 provides the calculation of the SMART Factor by rate class as described above. Page 2 shows the prior year reconciliation. Page 3 shows the reconciliation of the current year. Page 4 shows the calculation of the current year revenue which is part of the reconciliation on Page 3.

Q. Why are the Distribution Companies proposing a fixed charge for the SMART Factors as opposed to a volumetric charge?

A. The Distribution Companies are proposing a fixed charge for the SMART Factors because it best ensures that the costs of the program are shared collectively among all customers, as required under Chapter 75 of the Acts of 2016, §11. Participants in the SMART Program are either reducing their kWh consumption on-site or offsetting retail charges with excess or allocated credits. It would be inappropriate for these customers to not contribute to the costs of the program when the program has been created to support a public policy initiative that benefits these participants directly.

Q. How will Market Revenue be determined?

A. Market Revenue is defined in the SMART Provision as (1) the value or net proceeds from the sale or use of the RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART Provision; (2) net proceeds from the sale of energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW or the market value of energy generated by Alternative On-Bill Credit

Generation Units greater than 60 kW used by the company for Basic Service (if such use is approved by the Department); and (3) if the Distribution Company elects to bid capacity into the ISO-NE Forward Capacity Market, the net proceeds received.

Q. Why have the Distribution Companies determined that a SPA is necessary?

A. The DOER outlined the role of the SPA in 225 CMR 20.00. The Distribution Companies support the SPA functions, as described in the regulation, and view the SPA as providing functionality that will aid in establishing consistency in setting the Base Compensation Rate through the administration of the competitive procurement and applying the eligibility criteria for all SMART projects.

Q. What SMART Program administrative functions are being retained by the Distribution Companies and the DOER, respectively?

A. The Distribution Companies will retain all activities that occur after the SPA determines eligibility with the SMART Program with the DOER. These activities will include administering the SMART Provision, meter reading and reporting, calculation, crediting, and allocation of the Alternative On-Bill Credits, calculation and payment of Incentive Payments, and customer service.

Q. Have the Distribution Companies prepared estimates of SMART Program-related costs at this time?

A. The Distribution Companies have not yet prepared estimates of SMART Program-related costs since several critical variables are unknown at this time. The Incentive Payments, for example, are anticipated to be determined through an initial one-time competitive procurement. Based on the regulations, a request for proposals to conduct the competitive procurement is scheduled to be completed no later than October 24, 2017. 225 C.M.R. § 20.07(3)(a)(1). The Distribution Companies and the DOER estimate that the initial procurement will be completed in December 2017. Until that time, the Base Compensation Rates under the SMART Program will not be known. Even then, the total program costs will be dependent upon the size of participating projects as a result of the indices for projects under 1 MW (225 C.M.R. § 20.07(3)(b)) and applicable Compensation Rate Adders (225 C.M.R. § 20.07(4)). The Distribution Companies hope to be able to provide an estimated high level bill impact analysis after the Base Compensation Rates are set in early 2018.

In addition, although the Distribution Companies have issued a request for proposals for a SPA, and are in receipt of bids, the Distribution Companies are in the process of reviewing the bids to determine a winning proposal, and enter into a contract with the selected vendor.

Also, final decisions have not yet been made regarding the type of meters each Distribution Company may require for participation in the SMART Program, and the ultimate number of customers that qualify for participation in the SMART Program in each Distribution Company's service territory will need to be estimated in order to develop estimated costs associated with Incentive Payments, Alternative On-Bill Credits, and Market Revenue. Finally, the Distribution Companies are preparing estimates for other incremental labor, administrative, system integration or operating costs associated with the SMART Program.

Q. When do the Distribution Companies expect to begin incurring costs related to the SMART Program?

A. The Distribution Companies will begin to incur costs related to the SMART Program when the SPA is selected and begins to develop the processing and procedures underlying the SMART Program, which is expected to occur in October 2017. In addition, the Distribution Companies will need to modify their respective billing systems to accommodate incentive payments and upgrade internal information technology programs to accommodate the Alternative On-Bill Credit calculation and processing of Incentive Payments and Alternative On-Bill Credits so that they can become available for enrollment and payment soon after Department approval of the SMART Provision.

Q. Have the Distribution Companies prepared estimated bill impacts at this time?

A. No, not at this time. As stated above, estimated costs associated with implementing the SMART Program in full are not known as of the date of this filing, and meaningful estimates of some categories of costs, such as SMART Program administration costs, are unlikely to be known in full until well into 2018. Each Distribution Company will ultimately include such cost estimates in their first SMART Factor filing after Department approval of each Distribution Company's compliance SMART Provision.

Q. When do the Distribution Companies expect to file for approval of their first SMART Factor?

A. The Distribution Companies anticipate filing their first respective SMART Factors for approval no earlier than 30 days after the Department issues any final order approving a Distribution Company's compliance SMART Provision. That filing will include both actual costs for SMART Program implementation commencing as of the effective date of the SMART Regulations as well as cost estimates regarding program implementation necessary to cover expected incentive payments and other expenses necessary to fully commence implementation of the program.

VII. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

SMART PROVISION

1.0 Purpose

The operation of the SMART Provision is pursuant to the Solar Massachusetts Renewable Target ("SMART") Program regulations at 225 C.M.R. 20.00 promulgated pursuant to Chapter 75 of the Acts of 2016, as applicable to Solar Tariff Generation Units that have received a Statement of Qualification from the Massachusetts Department of Energy Resources ("DOER"). The SMART Provision provides for: (1) Incentive Payments for RPS Class I Renewable Generation Attributes and/or Environmental Attributes produced by a Solar Tariff Generation Unit; (2) Alternative On-Bill Credits for energy generated by an Alternative On-Bill Credit Generation Unit; (3) the basis upon which Incentive Payments and Alternative On-Bill Credits are determined; and (4) the recovery of any such Incentive Payments, Alternative On-Bill Credits, and incremental administrative costs associated with the implementation and operation of the SMART Program.

2.0 Definitions

As used throughout this tariff, the following terms shall have the definitions set forth in this Definitions section.

2.1 Alternative On-Bill Credit Generation Unit shall mean a Standalone Solar Tariff Generation Unit that is eligible for an Alternative On-Bill Credit pursuant to the SMART Provision, and is not compensated for energy generated pursuant to 220 CMR 8.0 or 220 CMR 18.00.

2.2 Alternative On-Bill Credit shall mean the value of the net excess electricity generated and fed back to the Company by an Alternative On-Bill Credit Generation Unit on a monthly basis, calculated pursuant to Section 9.0 below.

2.3 Authorized Agent shall mean a person or entity that serves under an agreement entered into by each of the Owners of a Solar Tariff Generation Unit for all dealings with the DOER and the Company.

2.4 Company shall mean **[INSERT COMPANY NAME]**.

2.5 Commercial Operation Date shall mean the date on which the Company grants permission to the Solar Tariff Generation Unit to operate in parallel with the Company's electric distribution system.

2.6 Current Year shall mean the 12-month period for which a SMART Factor will be in effect.

2.7 Customer shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains delivery service at a customer delivery point and who is a customer of record of the Company.

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2.8 Department shall mean the Massachusetts Department of Public Utilities.

2.9 DOER shall mean the Department of Energy Resources.

2.10 Environmental Attributes shall mean any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Solar Tariff Generation Unit during the term of service.

2.11 Generation Attribute shall mean a Generation Attribute, as defined in 225 CMR 14.02.

2.12 GIS Certificate shall mean an electronic record produced by the NEPOOL GIS that identifies Generation Attributes of each Megawatt-hour (MWh) accounted for in the NEPOOL GIS.

2.13 Incentive Payment shall mean the payment to a Solar Tariff Generation Unit, including an Alternative On-Bill Credit Generation Unit, for RPS class I Renewable Generation Attributes and/or Environmental Attributes produced by these units, calculated pursuant to Section 7.0 below.

2.14 Market Revenue shall mean (1) the market value or the net proceeds from the sale or use of the RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART Provision; (2) net proceeds from the sale of energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW or the market value of the energy generated by Alternative On-Bill Credit Generation Units greater than 60 kW used by the Company for Basic Service; and (3) if the Company elects to bid capacity into the ISO-NE Forward Capacity Market ("FCM"), the net proceeds received by the Company. The market value of RPS Class I Renewable Generation Attributes and/or Environmental Attributes procured pursuant to the SMART Provision and used by the Company shall be determined from actual sales or purchases, and/or recent quotes from market participants.

2.15 NEPOOL GIS shall mean the New England Power Pool Generation Information System, which includes a generation information database and certificate system, operated by the New England Power Pool, its designee or successor entity, that accounts for Generation Attributes of electrical energy consumed and generated within, imported into, or exported from the ISO-NE Control Area.

2.16 On-Site Load shall mean any new or existing electric load located at the site of a Solar Tariff Generation Unit including any parasitic load that may result from the installation of the Solar Tariff Generation Unit, and that is wired to receive a portion

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of the electrical energy output from the Solar Tariff Generation Unit before the balance of such output passes through the Solar Tariff Generation unit's metered interconnection onto the electric distribution system.

2.17 Owner shall mean any person or entity that, alone or in conjunction with others, has legal ownership of a Solar Tariff Generation Unit.

2.18 Payment/Credit Form shall mean a form or online application provided by the Company and submitted by the Owner or Authorized Agent prior to the Commercial Operation Date of the Solar Tariff Generation Unit, and updated no more than two times during a 12-month period, unless allowed by the Company to be updated more frequently, containing all required information necessary to process monthly Incentive Payments and Alternative On-Bill Credits. The Payment/Credit Form will be established and published by the Company from time to time on its website.

2.19 Prior Year shall mean a 12-month period prior to the Current Year.

2.20 Qualifying Facility shall mean a Qualifying Facility, as defined by the Department in 220 CMR 8.02.

2.21 RPS shall mean the Massachusetts Renewable Portfolio Standard established in Mass. Gen. Laws c. 25A, § 11F.

2.22 RPS Class I Renewable Generation Attribute shall mean a RPS Class I Renewable Generation Attribute as defined in 225 C.M.R. 14.02.

2.23 Solar Tariff Generation Unit shall mean a Generation Unit, as defined in 225 CMR 14.02, that generates electricity using solar photovoltaic technology and meets all of the eligibility criteria set forth in 225 CMR 20.05 and 225 CMR 20.06 and has received a Statement of Qualification.

2.24 Standalone Solar Tariff Generation Unit shall mean a Solar Tariff Generation Unit that serves no associated On-Site Load other than parasitic or station load utilized to operate the Generation Unit.

2.25 Statement of Qualification shall mean a document issued by the DOER that qualifies a Solar Tariff Generation Unit to participate in the SMART Program pursuant to 225 CMR 20.00.

3.0 Availability

Incentive Payments and, as applicable, Alternative On-Bill Credits provided under this SMART Provision are available to the Owner or Authorized Agent of a Solar Tariff Generation Unit that has

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received a Statement of Qualification from the DOER, has met all eligibility requirements from 225 C.M.R. 20.00, has a total installed capacity of less than or equal to five megawatts (measured in MW AC), and is interconnected to the Company's electric distribution system. Each Standalone Solar Tariff Generation Unit may be metered by the Company through a single metering point. All other Solar Tariff Generation Units must be separately metered by the Company for the purpose of measuring energy generated by the Solar Tariff Generation Unit, with the Company's metering installed behind the Customer's service meter. All Solar Tariff Generation Units must be electrically separate, and separately metered per Section 5, below, from any other existing electricity generating unit, whether taking service under the SMART Provision or not.

4.0 Other Tariff Applicability

All Customers must comply with the Company's Standards for Interconnection of Distributed Generation tariff ("Interconnection Tariff") and the Terms and Conditions for Distribution Service, as may be amended from time to time.

Solar Tariff Generation Units that are served on the Company's Net Metering tariff pursuant to 220 C.M.R. 18.00 or qualifying facilities tariff pursuant to 220 C.M.R. 8.00 will receive Incentive Payments pursuant to the SMART Provision. The terms and conditions regarding the calculation and distribution of net metering credits or payments for purchased power are governed by the provisions of the applicable tariff.

5.0 Metering

The Company will own, install, and maintain a meter on each Solar Tariff Generation Unit that complies with the metering standards applicable to the size of the Solar Tariff Generation Unit as defined in the Company's Interconnection Tariff, or a meter which is specified by the Company to meet operational and/or planning requirements. Monthly readings obtained from the meter will be used to determine Incentive Payments pursuant to Section 7.0 below. The Company must be provided adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s), if applicable. For a Solar Tariff Generation Unit located behind a Customer's electric service meter that has On-Site Load other than parasitic or station load, the Company may assess the Customer for the installed cost of the meter or include the cost in the calculation of the SMART Factor. The cost may appear as a one-time charge on the Customer's bill following installation of the meter. The Company may assess service fees for ongoing maintenance of the meter, which shall be established and published by the Company from time to time on its website.

6.0 Conditions for Participation

Owners or Authorized Agents of a Solar Tariff Generation Unit must demonstrate compliance with the following conditions prior to receiving Incentive Payments and Alternative On-Bill Credits, if applicable. Incentive Payments and Alternative On-Bill Credits will be applied on a prospective basis only after all of the following conditions have been met.

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6.1 The Owner must obtain the Company's written authority to interconnect and operate in parallel with the Company's electric distribution system.

6.2 The Owner must provide final approval of a Statement of Qualification from the DOER for systems that have been constructed within the required timeline. This may be provided directly to the Company by the Solar Program Administrator ("SPA") with the permission of the Owner.

6.3 For the term of this tariff, the Company shall have the irrevocable rights and title to the RPS Class I Renewable Generation Attributes and/or Environmental Attributes of all Solar Tariff Generation Units. In addition, for those units that are also Alternative On-Bill Credit Generation Units, the Company will also have irrevocable rights and title to the capacity, energy and any market products associated with the sale of energy or energy services produced by the Alternative On-Bill Credit Generation Unit. The Company will also have irrevocable rights and title to the capacity of Qualifying Facilities that choose to participate in the SMART Program.

6.3.1 RPS Class I Renewable Generation Attributes in the form of Renewable Energy Certificates ("RECs") must be delivered to the Company's appropriate NEPOOL-GIS account. For Solar Tariff Generation Units greater than 60 kW, and that are not connected behind a meter measuring On Site Load, this will be accomplished through the Owner registering the Solar Tariff Generation Unit with the NEPOOL-GIS and enrolling in a Forward Certificate Transfer of RECs to the appropriate Company NEPOOL-GIS account for the term of enrollment in this tariff. Evidence of such enrollment will be collected by the SPA and provided to the Company.

6.3.2 Solar Tariff Generation Units smaller than 60 kW, and those that are 60 kW or greater and are connected behind a meter measuring On Site Load, shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the Solar Tariff Generation Unit to the Company's appropriate NEPOOL-GIS account. The Owner or Authorized Agent shall provide approvals or assignments, including, but not limited to, completing the Company's Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the Solar Tariff Generation Unit's participation in asset aggregation or other model of asset registration and reporting for the term of enrollment in this tariff. This form will be collected by the SPA and provided to the Company.

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6.3.3 Energy: Energy produced by Alternative On-Bill Credit Generation Units must be delivered to the Company in the Company's ISO–NE load zone at the delivery node associated with the Solar Tariff Generation Unit. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset, if the Company chooses to settle such energy.

6.3.4 Capacity: The Company, at its option, may qualify Qualifying Facility or Alternative On-Bill Credit Generation Units as an Existing Capacity Resource in the FCM after the Commercial Operation Date to participate in the FCM. As requested by the Company or ISO-NE, the Owner or Authorized Agent shall furnish all necessary information as well as follow all requirements for all applicable market rules needed to set up, register, qualify, or participate in the FCM within five (5) Business Days of a request for information or action, and also shall provide any data within two (2) Business Days of a request. Owners or Authorized Agents are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

6.3.5 It is the responsibility of the Owner or the Authorized Agent to ensure that billing account information of the designated recipients of Alternative On-Bill Credits and information necessary for distribution of Incentive Payments is accurately reflected on the Payment/Credit Form, and provided on any forms required for taxpayer identification and reporting. Alternative On-Bill Credits that cannot be applied to recipient accounts because of inaccurate information will remain on the Solar Tariff Generation Unit's account and will be carried forward to subsequent billing months. Changes to the Payment/Credit Form must be received by the Company at least 15 days prior to the next billing date of the Solar Tariff Generation Unit or the Alternative On-Bill Credit recipient, as applicable, to be reflected in the next billing period. Incentive Payments that cannot be paid to an Owner due to inaccurate or incomplete records will be available for 90 calendar days, after which they will be forfeited.

7.0 Calculation of Incentive Payments

Incentive Payments to Solar Tariff Generation Units will be in accordance with the formula specified in 225 CMR 20.08 and will be calculated for each monthly billing period as follows:

$$IP = (BCR + CRA - GS - VOE) * kWhgen$$

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Where

IP	=	Incentive Payment.
BCR	=	Base Compensation Rate applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.
CRA	=	Compensation Rate Adder applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.
GS	=	Greenfield Subtractor applicable to the Solar Tariff Generation Unit as specified in the Solar Tariff Generation Unit's Statement of Qualification.
kWhgen	=	kWh generated during the billing period. For Standalone Solar Tariff Generation Units, kWhgen will be measured after the reduction for parasitic or station load.
VOE	=	Value of Energy, determined as set forth below

(1) For Standalone Solar Tariff Generation Units that are net metered pursuant to the Company's Net Metering tariff, the VOE will be the applicable net metering credit.

(2) For Standalone Solar Tariff Generation Units that are Qualifying Facilities or On-site Generating Facilities pursuant to 220 C.M.R. 8.00 but are not net metered pursuant to the Company's Net Metering tariff, the VOE will be the rate applicable under the Company's qualifying facility tariff.

(3) For Solar Tariff Generation Units that are located behind the Customer's electric service meter and have On-Site Load other than parasitic or station load, the VOE will be the sum of the current applicable distribution kWh charge, transmission kWh charge, transition kWh charge, and the average of the Basic Service kWh charge for the three calendar years immediately preceding the year in which the Commercial Operation Date of the Solar Tariff Generation Unit occurs. For purposes of this tariff, a Customer's current applicable distribution kWh charge, transmission kWh charge, and transition kWh charge will be those charges in effect applicable to the Customer during the previous calendar year. The VOE applicable to the Solar Tariff Generation Unit will be specified on the Statement of Qualification, as provided by the Company in Appendix A to this tariff, and will not change during the term of the tariff, unless directed to change by DOER.

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(4) For Alternative On-Bill Credit Generation Units, the VOE will be equal to the total kilowatt-hours (kWh) generated during a billing period multiplied by the rate for Basic Service applicable to the Alternative On-Bill Credit Generation Unit's rate class in effect during the billing period, as established by the Company's Basic Service tariff.

(5) Compensation Rates and, if applicable, Compensation Rate Adder, and/or Greenfield Subtractors are determined as authorized in the Statement of Qualification, and those rates will not change during the uninterrupted Solar Tariff Generation Unit's participation in the SMART Program, unless as directed by the DOER, SPA or the Department. The three year averages of distribution, transmission, transition, and Basic Service rates will change once annually in Appendix A to this tariff.

8.0 Distribution of Incentive Payments

The Company will disburse Incentive Payments, in the form of a paper or electronic check as specified on the Payment/Credit Form, to the Solar Tariff Generation Unit's Owner or Authorized Agent. If the Incentive Payment is disbursed to an Authorized Agent, the Owner must indicate on the Payment/Credit Form.

9.0 Alternative On-Bill Credits

The Alternative On-Bill Credits shall be the Value of Energy of the Alternative On-Bill Credit Generation Unit as specified in Section 7.0(4) above for any Standalone Solar Tariff Generation Unit which elects to enroll as an Alternative On-Bill Credit Generation Unit. The Alternative On-Bill Credits will be applied to the single billing account associated with the Alternative On-Bill Credit Generation Unit.

The Owner of the Alternative On-Bill Credit Generation Unit must complete a Payment/Credit Form indicating the estimated annual production from the Alternative On-Bill Credit Generation Unit and how the Alternative On-Bill Credits are to be transferred to other Customer accounts in the Company's service area. Alternative On-Bill Credits may be transferred across ISO-NE load zones within the Company's service territory. The Company shall not transfer Alternative On-Bill Credits without a completed Payment/Credit Form. The Payment/Credit Form must include the annual average usage of each Alternative On-Bill Credit recipient. For recipient accounts that have not established 12 months of on-site usage history, annual use will be estimated by the Company. The Company will require the allocation to Alternative On-Bill Credit recipients be based on the annual average usage of the recipient divided by the estimated annual production of the Alternative On-Bill Credit Generation Unit.

At its option, the Company may pay to a designated recipient, in a lump sum amount, any Alternative On-Bill Credit remaining on the Alternative On-bill Credit Generation Unit billing account at the end

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of a 12-month period adjusted by the ratio of the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output of Solar Tariff Generation Units with ISO-NE over the course of the year divided by the average Basic Service rate for the year.

10.0 Term of Tariff

All Solar Tariff Generation Units with capacities larger than 25 kW AC will be eligible to receive compensation under this tariff for 20 years from the Solar Tariff Generation Unit's Commercial Operation Date. All Solar Tariff Generation Units with capacities less than or equal to 25 kW AC will be eligible to receive compensation under this tariff for 10 years from the Solar Tariff Generation Unit's Commercial Operation Date. This tariff will remain in effect until the costs incurred to administer the SMART Program have been fully recovered through the SMART Factors and termination of this tariff has been granted by the Department.

11.0 Applicability of SMART Factor

The SMART Factor, as defined herein, shall be applied to all bills issued by the Company and shall be determined in accordance with section 13.0 below, subject to the Department's review and approval.

12.0 SMART Factor Effective Date

The SMART Factor shall be effective **[INSERT DATE FOR APPLICABLE COMPANY]** of each year, unless otherwise ordered by the Department.

13.0 Calculation of SMART Factor

The SMART Factor recovers the annual incremental costs that the Company incurs during the applicable 12-month period associated with the SMART Program. The SMART Factor shall include estimated Incentive Payments, Alternative On-Bill Credits, and Market Revenue. The Company will reflect actual Incentive Payments, Alternative On-Bill Credits, and Market Revenue, along with actual incremental administrative costs, in determining the amount it has under or over-recovered through the applicable year's SMART Factor. The SMART Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge that varies by rate class. The SMART Factor shall remain in effect until adjusted in the Company's annual reconciliation filing pursuant to Section 14.0 below.

The SMART Factor shall be calculated as follows:

SFxs = (IPx + ABCx – MRx + ADMx-1 + RAx-1) * DRAs ÷ Fbillxs

Where

x = The Current Year.

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s	=	A separate value for the following rate classes: **[list each company's rate classes]**
SFxs	=	The SMART Factor for the Current Year for each rate class.
IPx	=	Estimated Incentive Payments issued in the Current Year.
ABCx	=	Estimated Alternative On-Bill Credits issued in the Current Year.
MRx	=	Estimated Market Revenue associated with IPs and ABCs in the Current Year.
ADMx-1	=	The incremental administrative cost the Company incurred in the Prior Year necessary to meet SMART Program objectives, including, but not limited to, costs associated with administering the SMART Program through a third-party administrator, billing system improvements, and additional personnel required for ongoing operations.
RA	=	The Reconciliation Amount is the sum of (a) the difference between (1) the actual IP, ABC, and MR incurred in the Prior Year plus incremental administrative costs approved for recovery in prior years; and (2) the amount of SF revenue billed by the Company during the Prior Year. Interest shall be applied to the reconciling balance at the Prime Rate as reported by the Wall Street Journal.
DRA	=	The Distribution Revenue Allocator percentage for each rate class.
Fbillxs	=	Forecasted number of bills for each rate class for the Current Year except that for streetlighting, the forecasted number of lights shall be used to establish a charge per light.

The Distribution Revenue Allocator shall be derived from the Company's most recent general rate case as approved by the Department and shall be as follows by rate class:

Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Rate []	xx.x%
Streetlighting	x.x%

14.0 Information Required to be filed with the Department

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Changes to the SMART Factors shall be filed with the Department as part of the Company's annual reconciliation filing at least **[insert number]** days before the date on which the SMART Factor is proposed to become effective. Such filing shall include the reconciliation of the amount recoverable through prior SMART Factors, as appropriate.

15.0 Additional Terms and Conditions of Service

15.1 Cooperation and Qualification of Solar Tariff Generation Units for Other Programs, Incentives, and Markets. Consistent with Section 6.3, if requested by the Company, the Owner or Authorized Agent of an enrolled Solar Tariff Generation Unit shall take all commercially reasonable means necessary, and pay any costs or fees associated with such actions, to cooperate with the Company and to qualify a Solar Tariff Generation Unit for other available federal, state, regional, local, and voluntary programs, incentives, and/or markets that would increase the value or marketability of the Solar Tariff Generation Unit's products and attributes including but not limited to registering the Solar Tariff Generation Unit with other states in order to qualify for such states' Renewable Portfolio Standard or similar program(s). Such Owner or Authorized Agent shall comply with all rules of such programs, incentives, and markets including, without limitation, rules that relate to the creation, tracking, recording, and transfer of all Environmental Attributes that are to be transferred under this tariff.

15.2 Non-Compliance. The Owner or Authorized Agent of a Solar Tariff Generation Unit shall comply with the provisions of this tariff through the end of the applicable term specified in Section 10.0. Only the Solar Tariff Generation Unit described on the Statement of Qualification is eligible to participate under this tariff. In no event shall a Solar Tariff Generation Unit's nameplate capacity exceed what is allowed by the Statement of Qualification. If a Solar Tariff Generation Unit exceeds the nameplate capacity allowed by the Statement of Qualification, or the Company determines that an Owner or Authorized Agent has violated the terms and conditions of this tariff, the Company will report the non-compliance immediately to the DOER, and the DOER shall issue a notice of non-compliance to the Owner or Authorized Agent and to the Company. Upon receipt of a notice of non-compliance from the DOER, the Company may suspend payment of Incentive Payments and Alternative On-Bill Credits, if applicable, and/or take other action as required the DOER until such time as the non-compliance has been remedied.

Neither the Company nor the Owner or Authorized Agent shall be deemed in non-compliance for failure or delay in the performance of any obligation under the tariff during the term if and to the extent that such delay or failure is due to a Force Majeure Event. A Force Majeure Event shall mean any cause beyond the reasonable control of, and not due to the fault or negligence of, the Company or the Owner or

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Authorized Agent and which could not have been avoided by exercising commercially reasonable efforts ,including, as applicable, acts of war or terrorism, public disorder, insurrection or rebellion, embargo or national emergency; curtailment of electric distribution services; flood, hurricane, windstorm, tornado, earthquake, or other acts of God; explosion or fire; strikes, lockouts, or other labor disturbances (whether among employees of the Company or the Owner or Authorized Agent, its suppliers, contractors, or others); delays, failure, and/or refusal of suppliers to supply materials or services; orders, acts or omissions of the NEPOOL GIS Administrator, as applicable; embargoes; sabotage; or any other cause of like or different kind, beyond the reasonable control of the Company or the Owner or Authorized Agent. Notwithstanding the foregoing, a Force Majeure Event shall not be based on Owner's ability to sell market products at a price greater than the rates applicable to the Solar Tariff Generation Unit or the Company's ability to purchase market products at prices below the applicable rates.

The party claiming Force Majeure shall notify the other party and the DOER of the occurrence thereof as soon as possible and shall use reasonable efforts to resume performance immediately. In no event shall a claim of Force Majeure or a Force Majeure Event operate to extend the term of the tariff.

15.3 Termination Provisions. If the Owner or Authorized Agent or the Company receives confirmation from the DOER that the Owner's Statement of Qualification has been suspended or revoked, or if the Owner or Authorized Agent has failed to satisfy the Owner's obligations under this tariff, the Company may elect to terminate its obligations under this tariff. Neither the Owner or Authorized agent nor the Company may terminate their obligations under this tariff with less than 30 days' notice to the other party.

15.4 Governing Law. This tariff is governed by the provisions of 225 CMR 20.00 and Chapter 164 of the General Laws.

15.5 Dispute Resolution. The dispute resolution provisions included in the Company's Interconnection Tariff, Section 9.0, shall be available for the purpose of resolving disputes related to the operation of this tariff between the Company and the Owner, including whether the Company has accurately transferred Alternative On-Bill Credits consistent with the Owner's written designation in the Payment/Credit Form. The Company shall not be responsible for resolving disputes between the Owner of an Alternative On-Bill Credit Generation Unit and those Customers to whom the Owner is transferring Alternative On-Bill Credits.

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APPENDIX A

I. Base Compensation Rates

	Capacity Block ¢/kWh							
	1	2	3	4	5	6	7	8
Low Income ≤ 25 kW	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
≤ 25 kW	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 25 kW, ≤ 250 kW	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 250 kW, ≤ 500 kW	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd
> 500 kW, ≤ 1,000 kW	tbd	tbd	tbd	tbd	tbd	tbd	tbd	tbd

**Solar Tariff Generation Units that receive a capacity allocation in more than one Capacity Block will receive a blended Compensation Rate that reflects the rates applicable to both Capacity Blocks.

II. Compensation Rate Adders

Please refer to 225 C.M.R. §20.07(4) for currently effective Compensation Rate Adders, and to DOER's Guideline on Energy Storage at **[INSERT WEBPAGE ADDRESS]** that provides an Energy Storage Adder calculator.

III. Sum of Applicable Distribution, Transmission, Transition, and Three Year Average of Basic Service Rates

Rate Class	**Applicable Three Year Average by Commercial Operation Year ¢/kWh**	
	2018	**2019**
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd
Rate []	tbd	tbd

IV. Base Basic Service Rates

[INSERT ADDRESS TO COMPANY'S EXTERNAL WEBSITE FOR SUMMARY OF RATES]

Illustrative Calculation of SMART Factor

[Insert Company Name]
[Year]$_x$ SMART Factor

			Total	Residential **[Insert Rate Classes]**	Commercial **[Insert Rate Classes]**	Industrial **[Insert Rate Classes]**	Outdoor Lighting
			(a)	(b)	(c)	(d)	(e)
1	Incentive Payments **(mm/yy - mm/yy)$_x$**	IPx	$1,000,000				
2	Alternative On-Bill Credits **(mm/yy - mm/yy)$_x$**	ABCx	$250,000				
3	Administrative Costs **(mm/yy - mm/yy)$_{x-1}$**	ADMx-1	$24,000				
4	Less Market Revenue **(mm/yy - mm/yy)$_x$**	MRx	($125,000)				
5	Reconciliation Amount - (Over)/Under Collection	RA	($505)				
6	Total SMART Factor Costs to be Collected		$1,148,495				
7	Distribution Revenue Allocator	DRAs	100.00%	58.40%	25.08%	15.87%	0.65%
8	Allocated SMART Factor Costs		$1,148,495	$670,721	$288,043	$182,266	$7,465
9	Forecasted Number of Bills/Lights (Annual)	Fbillxs		300,000	45,000	360	20,000
10	Proposed SMART Factors	SFxs		$2.23	$6.40	$506.29	$0.37

Notes:
1 Page 3, Line 1
2 Page 3, Line 2
3 Page 2, Line 3
4 Page 3, Line 4
5 Page 2, Line 16 - Line 3
6 L. 1 + L. 2 + L.3 + L. 4 + L. 5
7 per tariff
8 Line 6 Column (a) x Line 7
9 per forecast
10 Line 8 ÷ Line 9, truncated to 2 decimal places

Illustrative SMART Program Reconciliation - Prior Year

[Insert Company Name]
SMART Factor Prior Year Reconciliation
[Insert (mm/yy - mm/yy)$_{x-1}$]

		mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Actual	mm/yy$_{x-1}$ Estimate	mm/yy$_{x-1}$ Estimate	mm/yy$_{x-1}$ Estimate	Total
1	Incentive Payments	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$62,500	$750,000
2	Alternative On-Bill Credits	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$16,667	$200,000
3	Administrative Costs	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$24,000
4	Less Market Revenue	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($8,333)	($100,000)
5	Total Costs to be Recovered (1 + 2 + 3 + 4)	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$72,833	$874,000
6	SMART Factor Revenue	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$70,917	$851,000
7	Under (Over) Recovery per Month (5 - 6)	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	
8	**CUMULATIVE UNDER (OVER) RECOVERY**													
9	Beginning Balance	$0	$1,920	$3,847	$5,781	$7,721	$9,669	$11,623	$13,584	$15,552	$17,527	$19,510	$21,499	
10	Monthly Under (Over) Recovery	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	$1,917	
11	Ending Balance Before Interest	$1,917	$3,837	$5,764	$7,697	$9,638	$11,585	$13,540	$15,501	$17,469	$19,444	$21,426	$23,415	
12	Average Monthly Balance	$958	$2,878	$4,805	$6,739	$8,679	$10,627	$12,581	$14,542	$16,511	$18,486	$20,468	$22,457	
13	Interest Rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	
14	Number of Months	12	12	12	12	12	12	12	12	12	12	12	12	
15	Computed Interest (12 * 13 / 14)	$3	$10	$17	$24	$31	$38	$45	$52	$58	$65	$72	$80	$495
16	Ending Balance with Interest	$1,920	$3,847	$5,781	$7,721	$9,669	$11,623	$13,584	$15,552	$17,527	$19,510	$21,499	$23,495	

Illustrative SMART Program Reconciliation - Current Year

[Insert Company Name]
SMART Factor Current Year Reconciliation
[Insert (mm/yy - mm/yy)$_x$]

		mm/yy$_x$ Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	**mm/yy$_x$** Estimate	Total
1	Incentive Payments	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$83,333	$1,000,000
2	Alternative On-Bill Credits	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$20,833	$250,000
3	Administrative Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Less Market Revenue	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($10,417)	($125,000)
5	Total Costs to be Recovered (1 + 2 + 3 + 4)	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$93,750	$1,125,000
6	SMART Factor Revenue	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$1,146,664
7	Under (Over) Recovery per Month (5 - 6)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	
8	**CUMULATIVE UNDER (OVER) RECOVERY**													
9	Beginning Balance	$23,495	$21,770	$20,038	$18,300	$16,557	$14,807	$13,051	$11,288	$9,520	$7,745	$5,964	$4,176	
10	Monthly Under (Over) Recovery	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	($1,805)	
11	Ending Balance Before Interest	$21,690	$19,964	$18,233	$16,495	$14,751	$13,001	$11,245	$9,483	$7,714	$5,940	$4,158	$2,371	
12	Average Monthly Balance	$22,592	$20,867	$19,135	$17,398	$15,654	$13,904	$12,148	$10,386	$8,617	$6,842	$5,061	$3,274	
13	Interest Rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	
14	Number of Months	12	12	12	12	12	12	12	12	12	12	12	12	
15	Computed Interest (12 * 13 / 14)	$80	$74	$68	$62	$55	$49	$43	$37	$31	$24	$18	$12	$552
16	Ending Balance with Interest	$21,770	$20,038	$18,300	$16,557	$14,807	$13,051	$11,288	$9,520	$7,745	$5,964	$4,176	$2,383	

Illustrative SMART Program Revenue

[Insert Company Name]
SMART Factor Estimated Monthly Revenue
[Insert (mm/yy - mm/yy)$_x$]

		$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	$\mathbf{mm/yy_x}$ Estimate	Total
1	Class Sector (Bills)													
2	Residential **[Insert Rate Classes]**	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
3	Commercial **[Insert Rate Classes]**	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
4	Industrial **[Insert Rate Classes]**	30	30	30	30	30	30	30	30	30	30	30	30	360
5	Outdoor Lighting (# of lights)	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
6	Total No. of Customers (Lines 2, 3, 4)	28,780	28,780	28,780	28,780	28,780	28,780	28,780	28,780	28,780	28,780	28,780	28,780	365,360
7	SMART Factor by Class ($/Bill)													
8	Residential **[Insert Rate Classes]**	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	$2.23	
9	Commercial **[Insert Rate Classes]**	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	$6.40	
10	Industrial **[Insert Rate Classes]**	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	$506.29	
11	Outdoor Lighting ($/light)	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	$0.37	
12	SMART Factor Revenue (1)	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$95,555	$1,146,664

(1) Total revenue is the sum of each class sectors number of bills multiplied by the corresponding per bill SMART Factor.