

P.S.C. No. 220 Electricity
SUPERSEDING P.S.C. No. 207

NIAGARA MOHAWK POWER CORPORATION

d/b/a NATIONAL GRID

SCHEDULE

FOR

ELECTRIC SERVICE

APPLICABLE

IN

ALL TERRITORY SERVED BY THIS COMPANY

P.S.C. No. 220 *Schedule for Electric Service* ("P.S.C. No. 220 Electricity Tariff") supersedes and replaces former P.S.C. No. 207 *Schedule for Electric Service* ("P.S.C. No. 207 Electricity Tariff") effective April 27, 2009 ("Effective Date"). As of the Effective Date, all references to P.S.C. No. 207 Electricity Tariff in agreements existing as of the Effective Date shall be construed as references to P.S.C. No. 220 Electricity Tariff.

The Rule Numbers, Forms, and Service Classifications in P.S.C. No. 220 Electricity Tariff as of the Effective Date are identical to those of P.S.C. No. 207 Electricity Tariff as of the day immediately prior to the Effective Date, but Leaf Numbers may differ. To avoid any possible ambiguity resulting from this change, references to Leaf Numbers in P.S.C. No. 207 Electricity Tariff in agreements existing as of the Effective Date shall be construed as references to the equivalent Leaf Numbers for the same Rule Numbers, Forms, and Service Classifications in P.S.C. No. 220 Electricity Tariff.

For detailed description of Territory, See General Information Leaf, Paragraph 1

(Note: It will not be necessary to replace this title page in case at a later date the Schedule is made to apply to additional territory or area.)

Subsequent changes will be effective as shown on individual leaves.

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GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

NOTE: THERE ARE SIX NYISO LOAD ZONES/SUB-ZONES LOCATED IN NIAGARA MOHAWK'S FRANCHISE CONTROL AREA. LOAD ZONE A-SUB-ZONE 1: FRONTIER; LOAD ZONE B-SUB-ZONE 29: GENESEE; LOAD ZONE C-SUB-ZONE 2: SYRACUSE; LOAD ZONE D-SUB-ZONE 31: ADIRONDACK; LOAD ZONE E-SUB-ZONE 3: UTICA; LOAD ZONE F-SUB-ZONE 4: CAPITAL. Each LOAD ZONE/SUB-ZONE is broken down by City, County, Towns and their respective Hamlets. The names of the Hamlets are indented under the name of the town in which they are located. Footnotes are located on the last leaf of Rule No. 1. **WITHIN IN EACH SERVICE CLASSIFICATION CONTAINED IN THIS TARIFF, THE NYISO LOAD ZONES WILL BE REFERRED TO AS LOAD ZONES A, B, C, D, E, AND F.** A limited number of Customers located near subzone and/or franchise borders may not correspond to the Zone locations below. The customer's electrical location is determined by the corresponding feeder and substation.

LOAD ZONE A-SUB-ZONE 1 - FRONTIER

Southwest Region

Allegany County

Villages

Andover

Cuba

Wellsville

Towns and Hamlets

Alma

Friendship

New Hudson

Allentown

Genesee

Black Creek

Alma

Independence

Scio

Andover*

Independence

Scio

Centerville

Whitesville

Wellsville*

Centerville

Willing

Cuba

Cattaraugus County

City

Olean

Salamanca*

Villages

Allegany

Cattaraugus

Delevan

Ellicottville

Franklinville

Limestone

Portville

Towns and Hamlets

Allegany

Franklinville

Mansfield

Knapp Creek

Freedom*

New Albion*

Ashford

Elton

Olean

West Valley

Great Valley*

Otto

Carrollton

Hinsdale

Otto

Cold Spring

Hinsdale

Perrysburg*

Steamburg

Humphrey

Portville

East Otto

Humphrey Center

Weston Mills

East Otto

Ischua

Randolph

Ellicottville

Ischua

Red House

Farmersville

Little Valley*

Red House

Farmersville Station

Lyndon

Salamanca*

Machias

South Valley

Lime Lake

Onoville

Machias

Yorkshire*

Machias Junction

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE A-SUB-ZONE 1 - FRONTIER

Southwest Region

Chautauqua County

City

Dunkirk

Villages

Bemus Point

Brocton(1)

Cassadaga

Fredonia

Lakewood

Panama

Sherman

Sinclairville

Towns and Hamlets

Arkwright

Ellicott(5)

Pomfret

Busti

French Creek

Lily Dale

Carroll

Gerry*

Portland

Frewsberg

Gerry

Portland

Charlotte

Van Buren

Chautauqua

Harmony

Ripley

Chautauqua

Niobe

Ripley

Dewittville

Watts Flats

Sheridan

Point Chautauqua

Kiantone

Sheridan

Clymer

Mina

Sherman

Clymer

Findley Lake

Stockton

North Clymer

North Harmony

Burnhams

Dunkirk

Ashville

Stockton

Ellery

Poland

Greenhurst

Kennedy

Maple Spring

Erie County

Villages

Angola

Farnham

N. Collins

Towns and Hamlets

Brant

Eden

N. Collins

Brant

Eden

Lawtons

Evans

Collins

Derby

Collins

North Evans

Collins Center

Iroquois

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE A-SUB-ZONE 1 - FRONTIER

Frontier Region

Erie County

City

Buffalo

Lackawanna

Tonawanda

Villages

Blasdell

Depew(2)

Kenmore

Lancaster*

Williamsville

Towns and Hamlets

Amherst*

Cheektowaga(4)

Hamburg(6)

East Amherst*

Concord*

Athol Springs

Egbertsville

Grand Island

Lakeview

Getzville

Woodlawn

Snyder

Tonawanda

Swormville*

West Seneca(7)

Niagara County

City

Niagara Falls

North Tonawanda

Villages

Lewiston

Youngstown

Towns and Hamlets

Cambria

Niagara

Wheatfield

Pekin

Pendleton

Bergholtz

Sanborn

Beach Ridge

St. Johnsbury

Lewiston

Hoffman Station

Shawnee

Modeltown

Pendleton

Wilson

Sanborn

Pendleton Center

Newfane

Appleton

Porter

Newfane

Ransomville

Olcott

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE B-SUB-ZONE 29 - GENESEE

Genesee Region

Erie County

Village
Akron*

Towns and Hamlets
Alden

Newstead

Genesee County

City
Batavia

Villages
Alexander
Leroy

Attica
Oakfield

Elba
Corfu

Towns and Hamlets
Alabama

Alabama
Basom
Alexander
Batavia
Bergen*
Betheny
East Betheny

Byron
South Byron
Byron Center
Darien
Darien
Darien Center
Elba

LeRoy
Oakfield
Pavilion
Pavilion
Pembroke
East Pembroke
Stafford
Stafford

Livingston County

Villages
Avon
Lima

Caledonia
Livonia

Geneseo*

Towns and Hamlets

Avon
Caledonia
Conesus
Conesus
Geneseo*
Groveland
Groveland

Lima
South Lima
Livonia
Hemlock
Lakeville
Livonia Center

York
Linwood
Piffard
Retsof
Wadsworth
York

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE B-SUB-ZONE 29 - GENESEE

Genesee Region

Village

Brockport

Monroe County

Honeoye Falls

Scottsville

Towns and Hamlets

Brighton*

Chili*

Clarkson

Clarkson

Hamlin

Hamlin

Morton

Walker

Henrietta*

Mendon*

Ogden*

Parma*

Riga

Rush

Industry

Rush

West Rush

Sweden

Wheatland

Garbutt

Mumford

Niagara County

Villages

Barker

Middleport

Wilson

Towns and Hamlets

Hartland

Royalton

Gasport

Somerset

Somerset

Newfane

Appleton

Burt

Newfane

Olcott

Wilson

Beebe

Pleasant Corners

Sunset Beach

Ontario County

Towns and Hamlets

Canadice

East Bloomfield*

Richmond

Honeoye

West Bloomfield

Ionia

North Bloomfield

Orleans County

Villages

Albion

Lyndonville

Medina

Towns and Hamlets

Albion

Barre

Carlton

Kent

Waterport

Clarendon

Clarendon

Gaines

Eagle Harbor

Kendall

Kendall

Murray

Hulberton

Fancher

Ridgeway

Knowlesville

Shelby

Yates

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE B-SUB-ZONE 29 - GENESEE

GENESEE REGION

Wyoming County

Villages

Attica

Towns and Hamlets

Attica

Wethersfield

Covington

Orangeville

LOAD ZONE C-SUB-ZONE 2 - CENTRAL

CENTRAL REGION

Cayuga County

Town

Niles

Chenango County

Town

Lincklaen

Lincklaen

Cortland County

City

Cortland

Villages

Homer

McGraw

Town and Hamlets

Cortlandville

Cuyler

Homer

Preble

Scott

Solon

Truxton

Virgil*

Virgil

Lewis County

Town

Osceola

Osceola

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE C-SUB-ZONE 2 - CENTRAL

CENTRAL REGION

Madison County

Villages

Canastota

Cazenovia

Chittenango

Deruyter

Towns and Hamlets

Cazenovia

Sullivan

Deruyter

Bridgeport*

Fenner

Nelson

Oneida County

Villages

Sylvan Beach

Towns and Hamlets

Vienna

Jewell

North Bay

Onondaga County

City

Syracuse

Villages

Baldwinsville

Camillus

East Syracuse

Fabius

Fayetteville

Liverpool

Manlius

Minoa

North Syracuse

Skaneateles*

Solvay*

Tully

Towns and Hamlets

Camillus

Fabius

Manlius

Cicero

Apulia

Onondaga

Brewerton*

Apulia Station

Nedrow

Bridgeport*

Geddes*

Onondaga Hill

Cicero

LaFayette

South Onondaga

Clay

Lafayette

Otisco*

Clay

Onativia

Pompey

Euclid

Pompey

Dewitt

Salina

Jamesville

Lysander

Skaneateles*

Elbridge*

West Phoenix

Mottville

Skaneateles Falls

Tully

Van Buren*

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE C-SUB-ZONE 2 - CENTRAL

CENTRAL REGION

Oswego County

City

Fulton

Oswego

Villages

Altmar

Central Square

Cleveland

Hannibal

Lacona

Mexico

Parish

Phoenix

Pulaski

Sandy Creek

Towns and Hamlets

Albion

New Haven

Richland

Amboy

New Haven

Fernwood

Boylston

Orwell

Richland

Constantia

Orwell

Sandy Creek

Constantia

Oswego

Schroeppel

Granby

Oswego Center

Scriba

Hannibal

Palermo

Lycoming

Hastings

Parish

Volney

Brewerton*

West Monroe

Mexico

Minetto

Minetto

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE D-SUB-ZONE 31 - ADIRONDACK

NORTHERN REGION

Clinton County

Towns

Black Brook Saranac*

Essex County

Villages

Bloomingdale Lake Placid* Saranac Lake

Town and Hamlets

North Elba* St Armand

Franklin County

Villages

Brushton Malone Fort Covington
Saranac Lake Tupper Lake*

Town and Hamlets

Altamont Dickinson Santa Clara
Bangor Dickinson Center Santa Clara
North Bangor Duane Waverly
South Bangor Duane Center St Regis Falls
West Bangor Fort Covington Westville
Belmont* Franklin Westville Center
Mountain View Harrietstown
Owls Head Malone
Bombay Whippleville
Bombay Moira
Hogansburg Moira
Brandon
Skerry
Brighton
Constable*
Trout River

St. Lawrence County

Town and Hamlets

Brasher Lawrence Piercefield
Brasher Falls Fort Jackson Stockholm*
Helena Lawrenceville Winthrop
Hopkinton Nicholville
Fort Jackson North Lawrence
Hopkinton Parishville
Parishville

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE E-SUB-ZONE 3 - UTICA

MOHAWK VALLEY

Fulton County

Village

Dolgeville(part)

Towns and Hamlets

Oppenheim

Stratford

Stratford

Hamilton County

Towns and Hamlets

Inlet

Long Lake*

Raquet Lake

Morehouse

Herkimer County

City

Little Falls

Villages

Cold Brook

Dolgeville(part)

Frankfort*

Herkimer

Ilion*

Middleville

Mohawk*

Newport

Poland

Towns and Hamlets

Columbia*

Little Falls

Schuyler

Danube

Manheim

Webb

Indian Castle

Newport

Big Moose

Newville

Norway

Eagle Bay

Fairfield

Ohio

McKeever

Frankfort

Russia

Old Forge

Kent

Salisbury

Thendara

German Flatts

Salisbury Center

Herkimer

Salisbury Corners

Litchfield*

Madison County

City

Oneida

Villages

Lincoln

Munnsville

Wampsville

Clockville

Lenox

Towns and Hamlets

Lenox

Stockbridge

Oneida Lake

Valley Mills

South Bay

Whitelaw

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE E-SUB-ZONE 3 - UTICA (CONTINUED)

MOHAWK VALLEY REGION

Oneida County

City

Rome

Utica

Village

Boonville*

Clinton

New York Mills

Prospect

Trenton

Yorkville

Camden

Holland Patent

Oneida Castle

Remsen

Vernon

Clayville

New Hartford

Oriskany

Sherrill

Whitesboro

Towns and Hamlets

Annsville

Blossvale

Taberg

Ava*

Camden

Westdale

Deerfield

Floyd

Forestport

Forestport

Otter Lake

White Lake

Woodhull

Kirkland

Clark Mills

Lee

Lee Center

Marcy

Stittville

New Hartford

Chadwicks

Washington Mills

Willowvale

Paris

Cassville

Sauquoit

Remsen

Steuben

Trenton

Vernon

Verona

Vernon Center

Churchville

Durhamville

New London

Stacy Basin

Verona

Verona Mills

Vienna

McConnellsville

Vienna

Western

North Western

Westernville

Westmoreland

Westmoreland

Whitestown

Florence

Florence

Lehigh

NORTHERN REGION

Jefferson County

City

Watertown

Villages

Adams

Black River

Carthage

Deferiet

Evans Mills

Mannsville

Philadelphia*

Alexandria Bay

Brownville

Chaumont

Dexter

Glen Park

Sackets Harbor

Theresa*

Antwerp

Cape Vincent

Clayton

Ellisburg

Herrings

West Carthage

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE E-SUB-ZONE 3 - UTICA **NORTHERN REGION**

Towns and Hamlets

Adams
 Adams Center
 Smithville
 Alexandria
 Plessis
 Redwood
 Antwerp
 Brownville
 Limerick
 Cape Vincent
 Rosiere
 St. Lawrence
 Champion
 Champion
 Great Bend
 Clayton
 Depauville
 Ellisburg
 Belleville
 Pierrepoint Manor
 Woodville

Jefferson County (Continued)

Henderson
 Henderson
 Henderson Harbor
 Hounsfield
 Leray
 Calcium
 LeRaysville
 Lorraine
 Lorraine
 Lyme
 Three Mile Bay
 Orleans
 Fishers Landing
 LaFargeville
 Omar
 Pamela
 Pamela Four
 Corners
 Philadelphia*
 Rodman
 East Rodman
 Rutland
 Felts Mills
 Tylerville
 Theresa
 Watertown
 Burrville
 Wilna
 Natural Bridge*
 Woods Mills
 Worth

Lewis County

Villages

Castorland
 Croghan
 Lowville

Constableville
 Harrisville
 Lyons Falls
 Copenhagen
 Port Leyden
 Turin

Towns and Hamlets

Croghan
 Beaver Falls*
 Belfort
 Constableville
 Denmark
 Deer River
 Denmark
 Naumburg
 Diana
 Natural Bridge*
 Greig
 Greig
 Harrisburg
 High Market

Lewis
 Leydon
 Lowville
 Lyonsdale
 Martinsburg
 Glenfield
 Martinsburg
 West Martinsburg
 Montague
 New Bremen*
 Beaver Falls*
 New Bremen
 Pinckney
 Barnes Corners
 Turin
 Watson
 Watson
 West Turin

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE E-SUB-ZONE 3 - UTICA

NORTHERN REGION

Oneida County

Town

Boonville*

Alder Creek

Oswego County

Towns and Hamlets

Redfield

Redfield

Williamstown

Williamstown

St. Lawrence County

City

Ogdensburg

Villages

Canton

Hammond

Massena*

Potsdam

Waddington

Edwards

Hermon

Morristown

Rensselaer Falls

Gouverneur

Heuvelton

Norwood

Richville

Towns and Hamlets

Brasher*

Canton

Morley

Pyrites

Clare

Clifton

Cranberry Lake

Colton

Colton

South Colton

Fine

Oswegatchie

Star Lake

Wanakena

Fowler

Balmat

Fowler

Gouverneur

Natural Dam

Hammond

Chippewa Bay

Madrid

Madrid

Madrid Springs

Massena*

Morristown

Brier Hill

Edwardsville

Norfolk*

Norfolk

Raymondsville

Oswegatchie

Parishville

Pierrepont

Hannawa Falls

Pierrepont

Pitcairn

Potsdam

Crary Mills

West Potsdam

Rossie

Russell

Russell

Stockholm*

West Stockholm

Waddington

Chase Mills

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE F-SUB-ZONE 4 - CAPITAL

CAPITAL REGION

Albany County

City

Albany

Cohoes

Watervliet

Village

Altamont

Menands

Colonie

Green Island*

Voorheesville

Towns and Hamlets

Berne

Bethlehem

Delmar

Elsmere

Selkirk

Slingerlands

South Bethlehem

Coeymans*

Colonie

Latham

Loudonville

Maplewood

Newtonville

West Albany

Guilderland

McKownville

Knox

New Scotland

Columbia County

City

Hudson

Villages

Kinderhook

Valatie

Towns and Hamlets

Chatham*

Claverack*

Clermont

Clermont

Gallatin*

Germantown

Ghent

Greenport

Kinderhook

Livingston

Stockport

Scottville

Stuyvesant

Stuyvesant

Stuyvesant Falls

Taghkanic*

Herkimer County

Towns and Hamlets

Stark

Montgomery County

Towns and Hamlets

Amsterdam

Tribes Hill

Florida

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE F-SUB-ZONE 4 - CAPITAL

Rensselaer County

City

Rensselaer

Troy

Villages

Castleton on Hudson

Schaghticoke

Hoosick Falls

Valley Falls

Nassau

Towns and Hamlets

Brunswick

Cropseyville

East Greenbush

East Greenbush

Hampton Manor

Grafton

Grafton

Hoosick

Nassau

North Greenbush*

Sand Lake*

Pittstown

Johnsonville

Poestenkill

Schaghticoke*

Schodack

Saratoga County

Villages

Waterford

Towns and Hamlets

Ballston

Charlton

Clifton Park*

Rexford

Galway

Halfmoon*

Malta*

Milton

Waterford

Schenectady County

City

Schenectady

Village

Scotia

Towns and Hamlets

Duanesburg

Glenville

Alplaus

Niskayuna

Niskayuna

Princetown

Rotterdam

Carman

Rotterdam Jct.

S. Schenectady

Schoharie County

Towns and Hamlets

Wright

Washington County

Towns and Hamlets

Cambridge

Easton

White Creek

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE F-SUB-ZONE 4 - CAPITAL

NORTHEAST REGION

Essex County

Villages

Port Henry

Ticonderoga

Westport

Towns and Hamlets

Crown Point

North Hudson

Ticonderoga

Minerva

Schroon

Westport

Moriah

Schroon Lake

Mineville

Moriah

Witerbee

Fulton County

City

Gloversville

Johnston

Village

Broadalbin

Mayfield

Northville

Towns and Hamlets

Bleecker

Ephratah

Northampton

Broadalbin

Johnstown

Perth

Caroga

Mayfield

Hamilton County

Village

Speculator

Towns and Hamlets

Arietta

Indian Lake*

Wells

Benson

Indian Lake

Hope

Lake Pleasant

Montgomery County

City

Amsterdam

Village

Ames

Canajoharie

Fonda

Fort Johnson

Fort Plain

Fultonville

Hagaman

Nelliston

Palatine Bridge

St. Johnsville

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE F-SUB-ZONE 4 – CAPITAL

NORTHEAST REGION

Montgomery County: (Continued)

Towns and Hamlets

Amsterdam
Minden
Mohawk
Palatine

Canajoharie
Root
St. Johnsville

Florida
Charleston
Glen

Otsego County

Villages

Cherry Valley

Schenevus

Towns and Hamlets

Cherry Valley
Decatur

Maryland
Roseboom

Worcester
East Worcester
Worcester

Saratoga County

City

Saratoga Springs

Villages

Ballston Spa
Schuylerville

Corinth
South Glens Falls

Galway
Victory Mills

Towns and Hamlets

Ballston
Charlton
Corinth
Palmer
Day
Edinburg

Galway
Greenfield
Hadley
Milton
Moreau
Mt. McGregor
Northumberland

Providence
Saratoga
Stillwater*
Wilton
Malta*

Schenectady County

Village

Delanson

Towns and Hamlets

Duanesburg

Princetown

Schoharie County

Villages

Cobleskill
Schoharie

Esperance
Sharon Springs

Middleburgh

Towns and Hamlets

Blenheim
Broome
Carlisle
Cobleskill

Esperance
Fulton
Middleburgh
Richmondville*

Schoharie
Seward
Sharon
Summit

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

LOAD ZONE F-SUB-ZONE 4 - CAPITAL

NORTHEAST REGION

Warren County

City

Glens Falls

Villages

Lake George

Towns and Hamlets

Bolton

Bolton Landing

Chester

Chestertown

Hague

Hague

Horicon

Brant Lake

Johnsburg

North Creek

Lake George

Lake Luzerne

Luzerne

Queensbury

Stony Creek

Thurman

Warrensburg

Warrensburg

Washington County

Villages

Argyle

Fort Ann

Whitehall

Cambridge

Fort Edward

Greenwich

Hudson Falls

Towns and Hamlets

Argyle

Cambridge

Dresden

Clemons

Fort Ann

Comstock

Fort Edward

Greenwich

Hampton

Hartford

Jackson*

Kingsbury

Putnam

White Creek

Whitehall

2. **NATIVE AMERICAN RESERVATIONS**

County City

Town

Oneida

LOAD ZONE E-UTICA

SUB-ZONE 3

Madison Oneida

Oneida

Vernon

Onondaga

LOAD ZONE C-CENTRAL

SUB-ZONE 2

Onondaga

LaFayette

Onondaga

GENERAL INFORMATION

I. TERRITORY TO WHICH SCHEDULE APPLIES:

2. NATIVE AMERICAN RESERVATIONS (CONTINUED)

	<u>County</u>	<u>Town</u>
<u>Seneca</u>		
LOAD ZONE A-FRONTIER		
SUB-ZONE 1		
Allegany (part)	Cattaraugus	Alleghany Carollton Great Valley Salamanca Red House Cold Springs South Valley
Cattaraugus (part)	Cattaraugus Chautauqua Erie	Perrysurg Hanover Brant Collins N. Collins
<u>St. Regis</u>	Franklin	Bombay Ft. Covington
LOAD ZONE D-ADIRONDACK		
SUB-ZONE 31		
<u>Tonawanda</u>	Genesee County	Alabama
LOAD ZONE B-GENESEE	Erie	Newstead
SUB-ZONE 29	Niagara	Royalton
<u>Tuscarora</u>	Niagara	Lewiston
LOAD ZONE A-FRONTIER		
SUB-ZONE 1		

*Denotes Part

FOOTNOTES:

1. Brocton: General lighting service may be taken only when permitted by Village authorities.
2. Depew: Limited to large general service, Demand of 75 kW or more.
3. Lancaster: Limited to large general service, Demand of 75 kW or more.
4. Cheektowaga: A portion of the town is limited to large general service with Demand of 75 kW or more.
5. Ellicott: Except Lighting Districts (1), (2), and (3).
6. Hamburg: A portion of the town is limited to large general service with Demand of 75 kW or more.
7. West Seneca: A portion of the town is limited to large general service with Demand of 75 kW or more.

GENERAL INFORMATION

II. RULES AND REGULATIONS:

1. DEFINITIONS AND ABBREVIATIONS:

- 1.1 The term "Company" or "Utility" means Niagara Mohawk Power Corporation.
- 1.2 The term "Residential Applicant" means an individual, firm, partnership, corporation, association, municipality, or governmental body requesting service from the Company for his/her or its own use and not for resale or delivery to others. See Rule 1.4 for additional information regarding residential applicants.
 - 1.2.1 The term "Non-Residential Applicant" means a person, corporation, or other entity who has requested service as a non-residential customer. See Rule 1.5 for additional information regarding non-residential applicants.
- 1.3 The term "Customer" means an individual, firm, partnership, corporation, association, municipality, or governmental body lawfully receiving service from the Company. See Rule 1.4 for additional information regarding residential customers.
 - 1.3.1 The term "Non-Residential Customer" means a person, corporation or other entity, receiving service from the Company, who is not a residential customer as defined in 16NYCRR, Part 11. See Rule 1.5 for additional information regarding non-residential customers.
 - 1.3.2 The term "Premise" is a unified, undivided parcel of real property under the customer or applicant's control through ownership or lease which is not separated by public road, right of way, or property belonging to another entity. A premise may or may not contain buildings or structures within the real property.
- 1.4 Residential Applicants and Customers

A residential customer is any person, who, pursuant to an application for service made by such person or a third party on his/her behalf, is supplied directly by the Company with electric service at a premise used in whole or in part as his/her residence where:

 - 1.4.1 The Company's effective tariff specifies a residential rate for such service, provided however that no person who requests or is supplied service to an entire multiple dwelling or for the common areas of a multiple dwelling, as defined in the Multiple Dwelling Law or the Multiple Residence Law, shall be considered a residential applicant or customer solely because the Company's tariff specifies a residential rate;

GENERAL INFORMATION

II. RULES AND REGULATIONS:

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

1.4.2 Such service will be or is primarily used for his/her residential purposes, and the applicant or customer has so notified the Company; or

1.4.3 The Company knows that any of such service will be provided through a single meter to both units of a two-family dwelling; or

1.4.4 Such person was a residential customer of the Company within 60 days of making the request, and was not terminated for nonpayment, meter tampering or theft of services and has moved to a different dwelling within the Company's service territory, so long as such person remains a residential customer as defined in the preceding subparagraphs.

1.4.5 A residential applicant is any person who requests electric service to a premise to be used at his/her residence or the residence of a third party, as defined in 16NYCRR 11.2 (a)(3).

1.5 Non-Residential Applicants and Customers

A non-residential customer is any person, corporation or other entity receiving service from the Company, who is not a residential customer as defined in 16NYCRR Part 11. The terms in the following subsections refer to only non-residential customers.

1.5.1 A "New Customer" is a customer who was not the last previous customer at the premises to be served, regardless of whether such customer was or is still a customer of the utility at a different location.

1.5.2 A "Seasonal Customer" is a customer who applied for and receives utility service periodically each year, intermittently during the year, or at other irregular intervals.

1.5.3 A "Short Term or Temporary Customer" is a customer who requested service for a period of time up to two years.

1.5.4 A "Demand Customer" is a customer who is billed for demand charges.

1.5.5 An "Actual Reading" is one obtained by a utility employee from either the meter or a remote registration device attached thereto.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

1.5.6 An "Access Controller" is a party known to a utility to be in control of access to the metering equipment of a customer, and to have an active account of its own with the utility.

1.5.7 A "Payment" is considered to be made on the date it is received by the utility or one of its authorized agents.

1.5.8 A "Late Payment" is any payment made more than 20 calendar days after the date payment was due. Payment is due whenever specified by the Company on its bill, provided such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.

1.5.9 "Arrears" are charges for which payment has not been made more than 20 calendar days after payment was due.

1.5.10 A "Delinquent Customer" is a customer who has made a late payment on two or more occasions within the previous 12 month period.

1.5.11 A "Business Day" is any Monday through Friday when a utility's business offices are open.

1.5.12 A "Deferred Payment Agreement" is a written agreement for the payment of outstanding charges over a specified period of time. It must be signed in duplicate by a utility representative and the customer, and each must receive a copy, before it becomes enforceable by either party.

1.5.13 A "Levelized Payment Plan" is a billing plan designed to reduce fluctuation in a customer's bill payments due to varying, but predictable, patterns of consumption.

1.5.14 A "Backbill" is that portion of any bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to the customer during a period before the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings (commonly called a catch-up bill) which exceeds by 50 percent or more the bill that would have been rendered under a utility's standard estimation program is presumed to be a backbill.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

1.5.15 "Tampered Equipment" is any service related equipment that has been subjected to either unauthorized interference so as to reduce the accuracy or eliminate the measurement of a utility's service, or to unauthorized connection occurring after a utility has physically disconnected service.

1.5.16 "Utility Deficiency" means any action or inaction by a utility or one of its authorized agents that does not substantially conform to the Rules and Regulations of Part 13, Rules of Subchapter 6B, Chapter 1, Title 16 of the New York Code of Rules and Regulations, the utility's tariff, or the utility's written business procedures.

1.6 "Electric Service" - Maintenance by Company of the appropriate voltage and frequency at the point of delivery shall constitute delivery of electric service to Customer.

1.7 A "line" is a system of poles, ducts, wires, cables, transformers, fixtures and accessory equipment used for the distribution of electricity to the public. A line may be located (1) in a street, highway, alley or (2) on private right-of-way when used or useful to supply two or more customers at separate premises.

1.8 "Network Area" is the area supplied with electricity by Company through a network system of single and multiple lines for the distribution of electricity to Customers located within the area, usually underground but sometimes overhead or within a building.

1.9 A "service line" or "service lateral" is an electric line including the necessary and ancillary accessories to connect a distribution line to an individual customer's meter or point of attachment. A service line or service lateral, at the Company's discretion, may be connected to two or more meters at a single premise. Wiring along the outside of customer's house or building shall not be included in the service line or service lateral.

1.10 A "service entrance" is that part of the wiring from the point of attachment or termination of the service lateral to and including the main service switch on Customer's premises.

1.11 "Cost" or "expense" shall include all labor, material and other charges applicable thereto, including cost of removing and replacing pavement and sidewalks, plus a reasonable allowance for engineering, superintendence, purchasing and use of construction equipment.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (continued)

- 1.12 "Surcharge" is a charge payable by Customer to Company, in addition to the charge for electric service under the applicable service classification.
- 1.13 "Short-Term Service" is a service which is recurrently required only for short periods each time, either periodically each year, intermittently during the year, or at other irregular intervals.
- 1.14 "Temporary Service" is non-recurring service intended to be used for a short time only and not to continue in use.
- 1.15 "Standby Service" is service which is supplied to a Customer who obtains all or a part of his Electric Service from a source other than the Company. The terms "breakdown" and "auxiliary" are deemed to be synonymous to "standby". S.C. No. 7 of this tariff defines the conditions for Standby Service.
- 1.16 "Dual Service" as distinguished from separately metered service, is two or more separate, duplicate services to a Customer's single premise and is usually from different directions and sometimes from different distribution or transmission systems of the Company.
- 1.17 "Building" is a structure which stands alone or which is cut off from adjoining structures by fire walls with all openings therein protected by approved fire doors.
- 1.18 Abbreviations
kW - one thousand watts of power, a kilowatt
kWh - one kilowatt for one hour, a kilowatt hour
Hour's Use - kilowatt hours per kilowatt
kV - one thousand volts
Amp - a unit of current flowing, an ampere
kVA - volts times amperes in thousands
RkVA - reactive kva
16NYCRR - Title 16 of the New York Code of Rules and Regulations. Numerical suffix denotes a section or part.
Hp - 746 watts, a horsepower
P.S.C. - Public Service Commission - State of New York
S.C. - Service Classification
- 1.19 The terms in the following subsection refer to Rule 15 and Rule 16 as defined in 16NYCRR Sections 98, 99 and 100.
- 1.19.1 A "Distribution Line" is an electric line including the necessary and ancillary accessories to distribute electric energy, which may be located (1) in a street, highway, alley or (2) on a private right of way when used or useful to supply two or more customers at separate premises.
- 1.19.2 "Supply Line" is a part of a distribution line that is installed between an existing electric distribution system and an underground distribution line within a residential subdivision.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

1.19.3 A "service line" or "service lateral" is an electric line including the necessary and ancillary accessories to connect a distribution line to an individual customer's meter or point of attachment. A service line or service lateral, at the Company's discretion, may be connected to two or more meters at a single premise. Wiring along the outside of customer's house or building shall not be included in the service line or service lateral.

1.19.4 "Applicant" is a developer, builder, person, partnership, association, corporation or governmental agency requesting the provision of electric service as a:

1.19.4.1 "Residing Applicant" - at a premises to be used as his or her residence.

1.19.4.2 "Non-Residing Applicant" - in a residence to be used by others, provided however, that a governmental agency applying for service on behalf of a client, who would otherwise be a Residing Applicant, shall be treated as a Residing Applicant.

1.19.4.3 "Non-Residential Applicant" - where the applicant is a person, corporation or other entity who is not a residential applicant as defined in 16NYCRR 11.

1.19.5 "Residential Building" is a building which is designed for permanent residential occupancy.

1.19.6 "Multiple Occupancy Building" is a structure, including row houses, enclosed within exterior walls or fire walls, which is built, erected and framed of component structural parts and is designed to contain four or more individual dwelling units for permanent residential occupancy.

1.19.7 "Residential Subdivision" is a tract of land divided into five or more lots for construction of five or more residential buildings, or the land on which new multiple occupancy buildings are to be constructed, the development of either of which, if required, has been approved by governmental authorities having jurisdiction over land use.

1.19.8 "Developer" is a person(s) or entity engaged in the sale of vacant lots or in the construction of dwelling units in the development of a subdivision.

1.19.9 "Right-of-Way" is the right to pass over, occupy or use another's land for placing and maintaining Company facilities.

1.19.10 "Public Right-of-Way" is the area within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the State of New York or of the legislative body of any county, city, town or village that is open to public use and that may be used for the placement of Company facilities.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

- 1.19.11 "Visually Significant Resource" (VSR) is an area designated primarily or exclusively because of its exceptional, outstanding, significant, special or unique scenic quality pursuant to State or Federal enabling legislation.
- 1.20 "On-Site Generation" - Any facility which is capable of generating electricity for use by a Customer which is located on the same site, tract of land or service location as the Customer's load or which constructs or has constructed a distribution or transmission line from a location not on the site to a Customer location so as to serve all or any part of the Customer's load.
- 1.21 "Retail Access Program" - The transmission, distribution, and delivery by the Company to the Customer of Electricity Supply Service furnished to the Company by the Customer or by a third party on the Customer's behalf pursuant to the provisions of P.S.C. No. 220 and in particular Rule 39, including the Company's applicable tariffs filed with the FERC.
- 1.22 "FERC" - Federal Energy Regulatory Commission, or any successor agency thereto.
- 1.23 "Open Access Transmission Tariff" (OATT) - The tariff accepted for filing by the FERC that sets forth the terms and conditions under which the Company provides open access transmission service, as that tariff may be amended from time to time.
- 1.24 "Generator" - A facility capable of synchronizing to the interconnected electric system which supplies 60 Hertz alternating current electric energy, capacity, or ancillary services.
- 1.25 "Independent System Operator" (ISO) - An organization formed in accordance with FERC order(s) to administer the operation of the transmission system, provide equal access to the transmission system of New York State, and to maintain system reliability.
- 1.26 "Energy Service Company" (ESCO) - Any non-utility entity that can perform energy and customer service functions in a competitive environment including provisions of Electricity Supply Service (ESS) and the assistance in the efficiency of its use. An ESCo must be deemed eligible by the Department of Public Service (DPS) and accepted by the Company to be eligible to provide Electricity Supply Service and associated customer service functions to end use customers under the Retail Access Pilot Program and the Retail Access Program via the Company's transmission and distribution system.
- 1.27 "Electricity Supply Service" (ESS) - The furnishing of the electricity required to meet a Customer's needs, exclusive of the transmission, distribution and delivery service provided by the Company under this tariff and its OATT.
- 1.28 "Slamming" - The unauthorized transfer of a Customer's account from one entity providing Electricity Supply Service to another entity providing Electricity Supply Service.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

- 1.29 "Load Shapes" - Electricity Supply Service usage patterns developed from service class data used to determine hour by hour electricity usage in the absence of interval metering.
- 1.30 "Load Profile" - A Customer's actual Electricity Supply Service usage as recorded on interval meter designed for such purpose.
- 1.31 "Retail Delivery Point" - The point where the Company's retail distribution system connects to the Customer's Service Entrance at the Customer's premises.
- 1.32 "Retail Delivery Metering Point" - The location where the Electric Service is metered or the location to which meter readings are compensated.
- 1.33 "Retail Distribution Receipt Point" (RDRP) - The point(s) of receipt of electricity into the distribution system.
- 1.34 "Firm Point-to-Point Transmission Service" - Transmission service that is reserved and or scheduled pursuant to the provisions of the Company's Open Access Transmission Tariff governing Firm Point-to-Point Transmission Service.
- 1.35 "ESCo Supplier" - A generator within the Company's Control Area or another Control Area that is the authorized agent for scheduling deliveries on behalf of the ESCo or the Direct Retail Customer.
- 1.36 "Direct Retail Customer" - A customer with one (1.000) MW or more of coincident load who is authorized to provide electricity supply service on its own behalf for the Retail Access Program.
- 1.37 "Installed Capacity" - A generator that for a period of a month or longer can be called upon to meet the supply of an established or specified amount of electricity to the NYPP or ISO and whose capability to do so has been determined in accordance with Good Utility Practice.
- 1.38 "Good Utility Practice" - shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgement in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region and consistently adhered to by the Company. Good Utility Practice shall include, but not limited to NERC, NPCC and NYSRC, and NYISO, criteria, rules and standards, as they may be amended from time to time including the rules, guidelines and criteria of any successor organizations to the foregoing entities.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

- 1.39 "Control Area" - An electric system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to the frequency regulation of the interconnection.
- 1.40 "Load Zone" - One of several (currently eleven) geographical areas located within the New York Control Area that is bound by one or more of the fourteen New York State transmission interfaces. Electricity Supply Service prices within different load areas may differ due to transmission system congestion and electric losses.
- 1.41 "NERC" - North American Electric Reliability Council, or any successor organization thereto.
- 1.42 "NPCC" - Northeast Power Coordinating Council or any successor organization thereto.
 - 1.42.1 "NYSRC" - New York State Reliability Council or any successor organization thereto.
- 1.43 "NYISO" - New York Independent System Operator or any successor organization thereto.
- 1.44 "Competitive Transition Charge" (CTC) - A non-bypassable charge, except as otherwise provided in this Tariff, however designated, for recovery of the Company's costs associated with the transition to a competitive market in electricity generation and supply.
- 1.45 "Electricity Supply Cost" (ESCost) - the cost of Electricity Supply Service Pursuant to Rule 46.
- 1.46 "New York Power Authority" (NYPA) - Power Authority of the State of New York or any successor organization thereto.
- 1.47 "Distribution Delivery Charge" - Delivery charges related to furnishing, maintaining, and operating the connection between the Customer's Electricity Supply Service source and the customer's point of delivery inclusive of the NYISO Transmission Service Charge.
- 1.48 "Electrically Isolate" - Separation of electrical points of contact where interconnection may occur, if (a) such separation is at least 100 feet from any other interconnected electrical service of such customer, or (b) the disconnected isolated service is not within the same building structure as any other interconnected electrical service of such customer and not housed within a common enclosure with other interconnected breakers and/or fuses of such customer.
- 1.49 "Fully Loaded Rates" - As used in Rule 28 of this Tariff, this term shall mean rates developed by utilizing a fully embedded costing methodology for services performed. The methodology shall be based upon the four pricing components of direct costs, indirect costs, taxes and surcharges, and profit.
- 1.50 "Emergency Power System" - A system legally required and classed as emergency by codes or any governmental agency having jurisdiction that automatically provides an independent reserve source of electricity, upon failure or outage of the normal power source, to elements of a power system essential to the safety of human life, or a system used exclusively by customers during interruptions of Electric Service and/or in response to NYISO direction for Emergency Response Programs and/or Unforced Capacity requirements for NYISO special case resources.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS: (Continued)

- 1.51 "Standby Power System" - An alternate source of electricity incorporating necessary transfer equipment intended to supply power to selected loads upon loss of the normal power supply.
- 1.52 "Aggregator" - A non-utility entity that aggregates customers (including Direct Customers) for the purpose of obtaining electricity supply service for those customers but does not sell electricity supply service to those customers.
- 1.53 "Cramming" - The addition of unauthorized charges to a customer's bill.
- 1.54 "Direct Customer" - A customer, with an account(s) with the Company which results in 1 MW or more of coincident load, that purchases and schedules delivery of electricity supply service for its own consumption from one or more suppliers and not for resale. Direct Customers do not have to file an application with the Department of Public Service to become an eligible ESCo, but must comply with the applicable operating requirements set forth in Rule 39 of this Tariff and, when available, the NYISO. A Direct Customer may aggregate and schedule load for itself and other Direct Customers, each of which would continue to be responsible individually for meeting requirements placed on Direct Customers.
- 1.55 "Involuntary Switch" - A process or situation where a customer's energy supplier is changed from one ESCo to another without the customer's authorization. This type of switch includes, but may not be limited to, when the ESCo goes out of business, assigns its customers to another ESCo, decides to no longer serve a particular customer, or where a customer returns to the Company as a result of an ESCo's failure to deliver. An involuntary switch that is not in accordance with Rule 39.14, "Discontinuance of Service" is referred to as Slamming.
- 1.56 "Special Meter Read" - A service provided to obtain a customer's actual meter reading on a date that is different than the customer's regularly scheduled meter read date.
- 1.57 "Voluntary Switch" - A process or situation where a customer's energy supplier is changed from one ESCo to another with the customer's direct authorization.
- 1.58 "DPS" - Department of Public Service, or any successor agency thereto.
- 1.59 "PSC" - Public Service Commission, or any successor agency thereto.
- 1.60 "Lockbox" - A collection mechanism agreed upon by a utility and an ESCo/Direct Customer which employs a third party financial institution to receive and disburse customer payments.
- 1.61 "Special Needs Customer" - A customer, as defined by the Home Energy Fair Practices Act (HEFPA), with documented medical conditions or who is elderly, blind, or physically challenged. HEFPA makes available to these customers special protections regarding utility service and life threatening situations.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 1.62 "NYISO TARIFF" - The NYISO Services Tariff and the NYISO Open Access Transmission Tariff filed on April 30, 1999 and approved with modification by FERC on July 28, 1999 which may be amended from time to time.
- 1.63 "Locational Based Marginal Pricing" ("LBMP") - A pricing methodology under which the price of energy at each location in the NYS Transmission System is equivalent to the cost to supply the next increment of load at that location (i.e., the short-run marginal cost). The short-run marginal cost takes generation bid prices and the physical aspects of the NYS Transmission System into account. The short-run marginal cost also considers the impact of Out-of-Merit Generation (as measured by its Bid Price) resulting from the congestion and marginal losses occurring on the NYS Transmission System which are associated with supplying an increment of load. The term LBMP also means the price of energy bought or sold in the LBMP Markets at a specific location.
- 1.64 "Locational Based Marginal Capacity Price" ("LBMCP") - The price of the respective six-month block auction for an entire (capability) obligation period defined by the NYISO as the Capability Period Auction, in \$/kW-mo for capacity in each of the respective zones.
- 1.65 "NYPA Transmission Adjustment Charge" ("NTAC") - A surcharge on all Energy Transactions designed to recover the Annual Transmission Revenue Requirement of NYPA which cannot be recovered through its TSC, transmission congestion contracts, or other transmission revenues, including, but not limited to, its existing transmission agreement revenues. This charge will be assessed to all load statewide, as well as transmission customers in wheels through and exports.
- 1.66 "Load Serving Entity" ("LSE") - An entity, including a municipal electric system and an electric cooperative, authorized or required by law, regulatory authorization or requirement, agreement, or contractual obligation to supply Energy, Capacity and/or Ancillary Services to retail customers located within the New York Control Area, including an entity that takes service directly from the NYISO to supply its own load in the New York Control Area.
- 1.67 "Transmission Usage Charge" ("TUC") - Payments made by the transmission customer to cover the cost of marginal losses and, during periods of time when the transmission system is constrained, the marginal cost of congestion. The TUC is equal to the product of: (1) the LBMP at the point of withdrawal minus the LBMP at the point of injection (in \$/MWh); and (2) the scheduled or delivered Energy (in MWh).
- 1.68 "Interconnection Agreement" - A separate Interconnection Agreement between Niagara Mohawk Power Corporation and the "Customer".
- 1.69 "Transmission Service Charge" ("TSC") - A charge designed to ensure recovery of the embedded cost of a transmission owner's transmission system.
- 1.70 "Day-Ahead LBMP" - the LBMPs calculated based upon the NYISO's Day-Ahead Security Constrained Unit Commitment Process.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 1.71 "Renewable On-Site Generation" - Non-fossil fuel based energy that is largely sustainable or reclaimable from natural resources.
- 1.72 "Electric and Gas System Bulletin No. 309, Procedure for New or Changed Customers' Services"- Niagara Mohawk's specifications for electrical installations and supplemental bulletins thereto as they may be amended from time to time.
- 1.73 "Unforced Capacity" ("UCAP") - The measure by which Installed Capacity Suppliers are rated to quantify how much they (each) can contribute to the New York Control Area's (NYCA) Installed Capacity Requirement. Each Supplier's resource is assigned an Unforced Capacity value based upon its (twelve-month rolling average) reliability. While the overall NYCA peak load and reserve requirement is fixed for a year, a resource's Unforced Capacity can change each month.
- 1.74 "Unforced Capacity Requirement" ("UCAPR") - The amount of UCAP reserves (in percent or fraction) that each LSE must procure prior to each Obligation Procurement Period, as such term is defined in the NYISO Tariff. The UCAPR is designed to insure no more than a one-day interruption in ten years (as a result of generation shortages) and is calculated by the NYISO.
- 1.75 "Ancillary Services" means as defined in the NYISO OATT as amended from time to time, those services that are necessary to support the transmission of Capacity and Energy from resources to Loads while maintaining reliable operations of the NYS Transmission System in accordance with Good Utility Practice.
- 1.76 "Wholesale Generator" - A company whose primary business is the production of electricity for sale into the wholesale electricity market.
- 1.77 "Conversion Transaction" - A transaction that involves the exchange of spot market purchases by the Company with renewable energy sources. Such exchanges are arranged by Green ESCos between the Company and renewable generators. For environmental disclosure purposes, the renewable energy purchases will be allocated to specific customers who have agreed to take renewable energy service from a Green ESCo.
- 1.78 "Solar Electric Generating Equipment"- A photovoltaic system that is manufactured, installed, and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities, that is operated in compliance with standards and requirements in accordance with Section 66-j of Public Service Law and Rule No. 53 of this tariff.
- 1.79 "Farm Waste Electric Generating Equipment" - Equipment that generates electric energy from biogas produced by the anaerobic digestion of agricultural waste, such as livestock manure, farming wastes and food processing waste that is manufactured, installed, and operated in accordance with applicable government and industry standards; connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities; operated in conjunction with any standards and requirements established in Section 66-j of Public Service Law and Rule No. 53 of this Tariff

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 1.80 "Cable System Operator" – an entity, certified by New York State, whose service is limited solely to providing cable television service.
- 1.81 "Electric Distribution Pole(s)" – Niagara Mohawk owned electric distribution poles, the record and financial accounting being booked to FERC account 364.
- 1.82 "Non-traditional Pole Attachment" – include i) attachments to an Electric Distribution Pole(s) that occupy more than twelve (12) inches of pole space; ii) all non wire-line (cable) attachments (i.e., wireless devices); and iii) any attachments made outside the traditional communications space on the pole.
- 1.83 "Pole Attachment" – (i) a single span wire (cable) or steel messenger supporting a telecommunication cable(s), owned by the same entity, utilizing one foot or less of usable communication space on an Electric Distribution Pole. Each span wire or messenger cable will be counted as a separate attachment. The sag of the wire will be included in determining the pole space utilized, or (ii) Telecommunication Accessory Equipment.
- 1.84 "Telecommunication Carrier" – a New York State certified provider of telecommunications services, excluding Incumbent Local Exchange Carriers (ILECs) and Cable System Operators.
- 1.85 "Telecommunication Accessory Equipment" – Telecommunication equipment mounted on the Electric Distribution Pole, installed in addition to traditional wire-line attachments (Pole Attachment), which precludes that space from being utilized by Niagara Mohawk, a joint owner or another third party. Each space occupied by or precluded from use by a licensee's Telecommunication Accessory Equipment shall be billed to the licensee as a separate attachment.
- 1.86 "Wireless Facilities" – shall mean any antenna, hardware, equipment, apparatus, device or other hardware, and cables or wires connecting such antenna to such equipment, apparatus, device or other hardware placed on the same Pole. This shall not include wires or cables used to connect to other wireless or wired communication facilities or equipment not on the same pole.
- 1.87 "Wind Electric Generating Equipment" - Equipment that generates electric energy from wind with a rated capacity as stated in Rule No. 37.1 of this tariff that is manufactured, installed, and operated in accordance with applicable government and industry standards; connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities; operated in conjunction with any standards and requirements established in Section 66-l of Public Service Law and Rule No. 53 of this Tariff.
- 1.88 "Excess Pole Height" - Additional pole height requirements attributable to the wireless attachment owner.

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 1.89 "Holiday" - shall mean New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day
- 1.90 "Class Load Factor" - is the ratio of the average demand to the maximum demand of that portion of a PSC No. 220 or PSC No. 214 service classification receiving Electricity Supply Service during the most recent calendar year for which data is available. For service classifications with more than one voltage delivery, the Class Load Factor shall be calculated separately for each voltage delivery level within the service classification.
- 1.91 "Demand Curve" - the NYISO administered curve used during spot market auctions to determine monthly unforced capacity obligations in excess of the Unforced Capacity Requirement.
- 1.92 "Customer-Generator" – (1) a residential customer who owns or operates Solar or Wind Electric Generating Equipment located and used at this or her residence; or (2) a customer who owns or operates Farm Waste Electric Generating Equipment located at his or her "farm operation," as defined in subdivision eleven of Section 301 of the Agriculture and Markets Law; or (3) a non-residential customer who owns or operates Solar or Wind Electric Generating Equipment located and used at its premises; or (4) a farm service customer who owns or operates Wind Electric Generating Equipment as defined in Public Service Law ("PSL") Sections 66-j and PSL 66-l .

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED:

2.1 Applications for Residential Service, as defined in Rule 1.4, Definitions:

2.1.1 Applications for service may be made by ordinary mail, telephone call or by personal application at the Company's offices.

2.1.1.1 A service application shall be deemed complete when the applicant provides his or her name, proof of identity, address, telephone number (if any), and a prior account number and address (if any).

2.1.1.2 An oral application for electric service shall be deemed completed when the applicant complies with Rule 2.1.1.1.

2.1.1.3 A written application containing the required information (see Rule 2.1.1.1) shall be deemed completed when received by the Company.

2.1.1.4 The Company may require an applicant to complete a written application if: there are arrears at the premises to be served and service was terminated for nonpayment; or is subject to a final disconnect notice of termination; or there is evidence of meter tampering or theft of service; or the meter has advanced and there is no customer of record; or the application is made by a third party on behalf of the person(s) who would receive service. The Company will require a written application when service is taken from an existing or proposed line extension which requires a surcharge or contribution.

2.1.1.5 If the application for service is to an address which was recently terminated for nonpayment or where the meter has advanced and there is no customer of record at the address, the applicant must also provide a reasonable proof of responsibility for service for completion of the application. If there are arrears owed on a prior account, the applicant must also meet one of the qualifications of Rule 3.1.1.1 for completion of the application.

2.1.1.6 A written application may require the submission of information required in an oral application, and reasonable proof of the applicant's identity and responsibility for service at the premises to be supplied.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (Continued)

2.1 Applications for Residential Service, as defined in Rule 1.4, Definitions:

2.1.1.7 The Company when requiring a written application shall so notify the applicant as soon as practicable after the request for service is made, and in no event more than two (2) days after such request, and shall state the basis for requesting a written application.

2.1.2 The applicant will be required to make separate applications for each point of delivery and metering point, or for each class of service at each separate residence, apartment, business, building or location for which service is desired. See also Rules 9, 10 and 14.

2.1.3 The Company shall not be obligated to provide electric service to an applicant, for seasonal or short term service, who fails to post a lawfully required deposit.

2.1.4 The Company shall provide service to an applicant within five (5) business days, or a later date as may be specified by the applicant. If the applicant has been previously denied service and now meets one of the qualifications for service in Rule 3.1.1.1, the Company shall provide service within two (2) business days, or a later time specified by the applicant. By direction of the Commission or its authorized designee, service will be provided within 24 hours. The following are exceptions to the time limitations for providing service:

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (Continued)

2.1.4.1 Applicant Related Exceptions

2.1.4.1.1 When the applicant has not paid or agreed in writing to pay the material and installation costs or reasonably assignable costs relating to permanent line extensions or line extension rights-of-way or has otherwise failed to comply with any applicable requirements relating to overhead and underground line extensions.

2.1.4.1.2 When the applicant elects a surcharge plan for payment of excess reasonable costs for a line extension and has not paid an advance payment of the surcharge, when there is reasonable doubt of the applicants permanency, or when the applicant has not paid the material and installation costs for a temporary line extension.

2.1.4.1.3 When the applicant has not paid the material and installation costs or reasonably assignable costs for permanent service laterals. In hardship cases, the Company shall offer an installment plan agreement, designed for each individual case, subject to interest charges at the rate of interest paid on customer deposits.

2.1.4.1.4 When the applicant has not paid the material and installation costs for a temporary service lateral.

2.1.4.1.5 When the applicant has not complied with the Company's minimum insulation standards pursuant to Rule 3.1.3.

2.1.4.1.6 When the applicant has not completed construction of the necessary facilities or obtained an inspection thereof by the appropriate authorities.

2.1.4.2 Company Related Exceptions

2.1.4.2.1 When the Company is precluded by labor strikes or precluded by law.

2.1.4.2.2 When the Company is precluded by consideration of public safety.

2.1.4.2.3 When the Company is precluded by physical impediments included but not limited to the Company's inability to gain access to premises in the possession of the applicant or others, adverse weather conditions and incomplete construction of the necessary facilities by the Company. The Company shall make reasonable efforts to eliminate conditions preventing extension of service and shall pursue completion of any facilities it must construct with due diligence.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.1.5 If the Company fails to initiate service within the time required by Rule 2.1.4, the Company shall pay to the applicant the sum of twenty-five dollars (\$25.00) per day for each day that service is not supplied unless the Commission finds that the Company had good cause for not initiating service in the required time.

2.2 Application for Non-Residential Service

2.2.1 Applications for service may be made by ordinary mail, a telephone call or by personal application at one of the Company's business offices. A service application shall be available in every Company business office and shall be provided to every applicant for service for whom the filing of a written application is a prerequisite for providing service.

2.2.2 As a prerequisite to accepting an applicant as a customer, and providing service, the Company may require the applicant to:

2.2.2.1 File a written service application containing information sufficient to establish the applicant's identity and responsibility for the premises as either the owner or occupant. The correct service classification, and who controls access to Company owned meters and other equipment.

2.2.2.2 Comply with the Company's tariff, or any applicable state, city or local laws or ordinances.

2.2.2.3 Fulfill any applicable requirements of Part 98 of 16NYCRR.

2.2.2.4 Make full payment for all amounts due and payable which are not either the subject of a pending billing dispute or an existing deferred payment agreement that is in good standing, including:

2.2.2.4.1 Service provided and billed in the applicant's name or for which the applicant is legally responsible.

2.2.2.4.2 Other tariff fees, charges or penalties.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.2.2.4.3 Reasonably chargeable material and installation costs relating to temporary or permanent line extensions or service laterals as required by the Company's tariff, provided these costs are itemized and given to the applicant in writing.

2.2.2.4.4 Special services billable under the Company's tariff, provided these costs are itemized and given to the applicant in writing.

2.2.2.4.5 A security deposit requested by the Company.

2.2.3 As a prerequisite to accepting an applicant as a customer, and providing service, the Company will require a written application when service is taken from an existing or proposed line extension which requires a surcharge or contribution, or when required by the provisions of the applicable service classification.

2.2.4 The applicant will be required to make separate applications for each point of delivery and metering point, or for each class of service at each separate residence, apartments, business, building or location for which service is desired.

2.2.5 A service application shall contain a section for determining the customer's service classification which shall include the following:

2.2.5.1 A conspicuous notice advising the customer that the questions in this section are designed to assist the Company in placing the customer on the proper and the most beneficial service classification; that the Company may rely on this information in classifying the service; that the cost of service may vary under different service classifications; that a customer may be eligible for service under more than one classification; that one classification may be more beneficial than another; that a description of the common non-residential service classifications accompanies the application; that the Company's tariff, which describes each service classification in detail, may be examined in every Company business office during normal working hours; that questions about service classifications may be discussed with Company representatives; that if the customer's use of service or equipment changes in the future, the customer must notify the Company of these changes, in order to assure that the customer is being properly billed; and that if the information provided by the customer relevant to service classification is inaccurate or incomplete, the customer may be subject to back-billing on the correct service classification, or may be precluded from receiving a refund for overcharges based on an incorrect service classification, and a comprehensive series of questions relevant to identifying the customer's service classification based on the Company's tariff.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.2.6 The Company may require the submission of appropriate types of documents to substantiate the information provided in the service application. Specific documents which the Company may require, however, must be listed on the service application.

2.2.7 Any Company report relevant to the establishment of the proper service classification shall be made part of the service application.

2.2.8 A service application shall contain, close to the place where the applicant signs, a notice that the applicant has the right to request that the Company inspect the metering device in order to assure its accuracy, along with a place to indicate whether such inspection is requested; provided, however, that if the Company has a written policy of not backbilling previously unbilled service when the failure to charge for such service resulted from the faulty operation or in operation of a metering device, which faulty operation or in operation was not due to the culpable conduct of the customer or his agent, the above notice is not required.

2.2.9 A service application must be signed by the applicant or an authorized agent of the applicant, and a copy must be provided to the applicant or agent. In the case of agents, the Company may require suitable proof of the authorization of the agent.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.2.10 The Company shall either provide or deny service to any applicant as soon as reasonably possible, but no later than 10 calendar days after receipt of a completed application for service or such later time as may be specified by the applicant. Exceptions to this time limitation are as follows:

2.2.10.1 Conditions precluding Company compliance with the time limitation.

2.2.10.1.1 Where prevented by labor strikes, or other work stoppages.

2.2.10.1.2 Where precluded by consideration of public safety.

2.2.10.1.3 Where precluded by adverse weather conditions.

2.2.10.1.4 Where precluded by inability to gain access to premises in the possession of the applicant or others.

2.2.10.1.5 Where precluded by incomplete construction of necessary facilities by the applicant or inspection and certification thereof by the appropriate authorities.

2.2.10.1.6 Where precluded by incomplete construction of necessary facilities by the Company.

2.2.11 The Company shall make reasonable efforts to eliminate conditions preventing extensions of service and shall pursue completion of any facilities it must construct with due diligence.

2.2.12 The Company shall provide service to any accepted applicant whose application for service was previously denied solely for failure to make full payment as provided in Rule 2.2.2.4, as soon as reasonably possible, but no later than 3 business days, or such later time as may be specified by the applicant, after payment is made, or 10 calendar days after receipt of the original application, whichever is later, except as provided in Rule 2.2.10.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.2.13 The Company shall, at the time of application for service, provide applicants for non-residential service with a brochure containing a detailed summary of their rights and obligations, and a notice to include: descriptions of the commonly used non-residential service classifications and their rates, an offer of written guidelines regarding eligibility requirements for the Company's service classifications, notice that the Company's tariff is available for review in every Company business office and notice that some non-residential customers may be eligible for protections under Part 11, 16NYCRR.

2.2.14 The notice required at the time of application for non-residential service shall be provided with the service application to an applicant from whom a written application is required and by mail within 30 calendar days of the request for service to an applicant from whom a written application is not required.

2.2.15 The notice provided to non-residential applicants will be provided annually to non-residential customers or at anytime upon customer request.

2.3 Security Deposits

2.3.1 Residential Customers

2.3.1.1 The Company may require a security deposit as a condition for receiving service from a residential customer (See Rule 1.4) receiving short term or temporary service or from a current residential customer who is delinquent in the payment of bills.

2.3.1.1.1 Termination of service to the customer for nonpayment during the previous six (6) months; or

2.3.1.1.1.1 The accumulation of two consecutive months of arrears without making a reasonable payment of one-half of the total arrears before the time that the late payment charge becomes applicable.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (Continued)

2.3.1.2 Exceptions to Rule 2.3.1.1

2.3.1.2.1 The Company shall not require a security deposit for any customer it knows to be a recipient of public assistance, supplemental security income, or additional State payments.

2.3.1.2.2 The Company shall not demand or hold a security deposit from any new or current residential customer it knows is 62 years of age or older unless such customer has had service terminated for nonpayment of bills within the preceding six (6) months.

2.3.1.3 The Company shall require a security deposit as a condition of receiving service upon application for seasonal or short term service. A seasonal customer is defined as an applicant who applies for and receives electric service periodically each year, intermittently during the year, or at other irregular intervals. A short-term customer is an applicant who requires service for a specified period of time not to exceed one (1) year.

2.3.1.4 The amount of the security deposit requested by the Company shall be a reasonable amount not to exceed two (2) times the average monthly bill for a calendar year, except in the case of electric space heating customers, where security deposits shall be a reasonable amount not to exceed two (2) times the estimated average monthly bill for the heating season. The heating season is defined as bills rendered during the period November through April inclusive.

2.3.1.5 The Company shall notify a customer of its requirements for the payment of a security deposit within two (2) months after the failure to pay the bills rendered. The notification shall be a written notice providing the customer at least twenty (20) days advance notice before the security deposit is due.

2.3.1.6 The Company will permit a customer to pay the security deposit in installments over a period not to exceed twelve (12) months.

2.3.1.7 The Company shall review the status of a customer, for which a security deposit has been obtained, during the one-year period following payment of deposit. If the customer has not been delinquent in the payment of bills during the period, the security deposit and the unpaid interest accrued thereon shall be refunded promptly, without prejudice to the Company's right to require a future deposit in the event that the customer thereafter becomes delinquent.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.1.8 Whenever a security deposit has been required by the Company but thereafter refunded, the Company can require the payment of a new security deposit if the customer again becomes delinquent in the payment of bills for electric service pursuant to Rule 2.3.1.1.

2.3.1.9 Whenever a security deposit held by the Company is insufficient to cover the amount of the security deposit pursuant to Rule 2.3.1.4, the Company may require the customer to pay an additional security deposit.

2.3.2 Non-Residential Applicants and Customers

2.3.2.1 Security Deposit Requirements

2.3.2.1.1 The Company may only require payment of a security deposit from:

2.3.2.1.1.1 A new customer

2.3.2.1.1.2 An existing customer who is delinquent.

2.3.2.1.1.3 An existing customer whose financial condition is such that it is likely that the customer may default in the future, provided, however, that the Company must have reliable evidence of such condition, such as reports from accepted financial reporting services, or credit reporting agencies.

2.3.2.1.1.4 An existing customer who has filed for reorganization or bankruptcy.

2.3.2.1.1.5 An existing customer who has been rendered a backbill within the last twelve months for previously unbilled charges for service that came through tampered equipment.

2.3.2.1.2 The Company shall offer an existing customer, from whom a security deposit is required, the opportunity to pay the deposit in three installments, 50 percent down and two monthly payments, the sum of which equals the balance of the deposit.

2.3.2.1.3 The Company shall establish a written procedure covering its deposit policy and practice.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.1.4 A Company request for a deposit or a deposit increase shall be in writing and shall advise the customer of the following:

2.3.2.1.4.1 Why the deposit is being requested.

2.3.2.1.4.2 How the amount of the deposit was calculated.

2.3.2.1.4.3 That the deposit is subject to later upward or downward revision based on the customer's subsequent billing history.

2.3.2.1.4.4 That the customer may request that the Company review the account in order to assure that the deposit is not excessive.

2.3.2.1.4.5 The circumstances under which the deposit will be refunded.

2.3.2.1.4.6 That the customer will receive annual notice of the interest credited to the account.

2.3.2.1.4.7 The available deposit alternatives.

2.3.2.1.4.8 That for an existing customer from whom a deposit is being requested because of delinquency or financial condition, the deposit may be paid in three installments.

2.3.2.1.5 The Company shall issue to every customer from whom a deposit is obtained, a receipt showing the date, the account number, the amount received and the form of payment. Additionally, the receipt will contain a notice explaining the manner in which interest will accrue and be paid and that the receipt is neither negotiable nor transferable.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.2 Deposit Calculation

2.3.2.2.1 The amount of a deposit shall not exceed the cost of twice the customer's average monthly usage, except in the case of customers whose usage varies widely such as space heating or cooling customers, or certain manufacturing and industrial processors, where the deposit shall not exceed the cost of twice the average monthly usage for the peak season.

2.3.2.2.2 In the case of an existing customer who has 12 months or more of billing history, the amount of the deposit shall be based on service used during the previous 12 month period as evidences by the billing history.

2.3.2.2.3 In the case of a new customer or a customer with less than 12 months of billing history, the amount of the deposit shall be based on one or more of the following, as available:

2.3.2.2.3.1 The billing history of the customer.

2.3.2.2.3.2 Information provided in the application of the customer about the expected load and use of service.

2.3.2.2.3.3 Information contained in a load study of the premises prepared by the Company.

2.3.2.2.3.4 The billing history of the previous customer, provided there have been no significant changes in the load.

2.3.2.3 Deposit Review

2.3.2.3.1 The Company shall, at the first anniversary of the receipt of the deposit and at least biennially thereafter, review the billing history of every customer who has a deposit with the Company, to assure that the amount of the deposit conforms to the limitations contained in Rule 2.3.2.2. This requirement does not limit the right of the Company to review a deposit at any time.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.3.2 If a deposit review shows that the deposit held falls short of the amount that the Company may lawfully require by 25 percent or more, the Company may require the payment of a corresponding additional deposit amount from the customer.

2.3.2.3.3 If a deposit review shows that the deposit held exceeds the amount that the Company may lawfully require by 25 percent or more, the Company shall refund the excess deposit to the customer.

2.3.2.3.4 Upon request of the customer for a downward revision of a deposit, which request is substantiated both by the customer's billing history and by a permanent documented change in load and consumption, the Company shall refund any portion of the deposit in excess of the amount the Company may lawfully require.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.4 Deposit Alternatives

2.3.2.4.1 The Company shall accept deposit alternatives which provide a level of security equivalent to cash, such as irrevocable bank letters of credit and surety bonds.

2.3.2.4.2 The Company may, at its discretion, accept from the customer in lieu of a deposit, a written promise to pay bills on receipt and a written waiver of the customer's right not to be sent a final termination notice until 20 calendar days after payment is due.

2.3.2.5 Deposit Interest

2.3.2.5.1 Every cash deposit shall accrue interest at a rate prescribed at least annually by the Commission in light of the current economic conditions and current charges paid for money borrowed by the Company, taking into account the expenses incurred by the Company in obtaining, handling, returning or crediting the sum deposited.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.5.2 Interest shall be paid to the customer upon return of the deposit, or where the deposit has been held for a period of one year or more, the interest shall be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the expiration of each succeeding one year period.

2.3.2.5.3 Interest shall be calculated on the deposit until the day it is applied as a credit to an account or the day on which a refund check is issued. If the deposit is credited in part and refunded in part, interest shall be calculated for each portion up to the day of the credit and refund.

2.3.2.6 Deposit Return

2.3.2.6.1 The Company shall return a deposit or portion thereof plus applicable interest as soon as reasonably possible, but not more than 30 calendar days after:

2.3.2.6.1.1 The day an account is closed.

2.3.2.6.1.2 The issuance date of the first cycle bill rendered after a three year period during which all bills were timely paid, provided there is no other basis for the Company to request a deposit under Rule 2.3.2.1

2.3.2.6.1.3 A review pursuant to Rule 2.3.2.3, that shows a deposit reduction is warranted.

2.3.2.6.2 A deposit or portion thereof plus the applicable interest that is subject to return:

2.3.2.6.2.1 Shall be credited to the account it secured in the amount of any outstanding charges.

2.3.2.6.2.2 May be credited to the account it secured in the amount of the next projected cycle bill, if applicable.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.3.2.6.2.3 May be credited to any other account of the customer not secured by a deposit, in the amount of the arrears on that account.

2.3.2.6.3 If a balance remains after the Company has credited the customer's account(s), a refund check shall be issued to the customer.

2.3.3 All Customers

2.3.3.1 Interest Paid On Security Deposits

Security Deposits held by the Company will be credited with simple interest at the interest rate prescribed from time to time by the Public Service Commission as required by Subchapter A, Chapter 11, 16NYCRR, Part 90.3. Interest paid on security deposits will be paid as a credit applied to the customer's bill. See Rule 2.3.2.5 for additional information regarding interest paid on non-residential accounts.

2.3.3.2 Withholding of Service for Non-Payment of Security Deposits

Service will be withheld if an applicant refuses to pay a requested security deposit. If a current customer refuses to pay a security deposit, service will be terminated upon proper notification. If an applicant or customer initiates a security deposit complaint to the Public Service Commission, the Company will provide service during the pendency of the complaint provided the customer keep current on bills for service rendered. If the complaint only challenges the amount of the security deposit, the customer will be required to pay a reasonable security deposit.

2.3.3.3 Deposit Circulars

Copies of a circular entitled "TERMS AND CONDITIONS UPON WHICH CONSUMERS' DEPOSITS ARE COLLECTED, HELD, AND MAY BE WITHDRAWN" setting forth Section 117 of the Public Service Law and Subchapter A, Chapter II, Title 16 of the New York Code of Rules and Regulations, Part 90.3 are available upon request at offices of the Company where applications for service are received.

GENERAL INFORMATION

2. HOW SERVICE MAY BE OBTAINED: (continued)

2.4 Whenever service is supplied from a line extension constructed in accordance with the provisions of these rules and regulations relating to line extensions or to additional or special facilities, or whenever such service is subject to a surcharge or minimum charge determined pursuant to these rules, the applicant or customer shall:

2.4.1 Make written application for service upon Company's prescribed forms.

2.4.2 Comply with all the applicable provisions of these rules including the guarantee to pay the surcharge or minimum charge.

3. LIMITATION OF THE SERVICE OFFER:

3.1 Denial of Service

3.1.1 Residential applicants, as defined in Rule 1.4, Definitions.

3.1.1.1 The Company reserves the right to deny or refuse to supply service to a residential applicant who is indebted to the Company for residential service provided to a prior account in his or her name, unless one of the following qualifications are met:

3.1.1.1.1 The applicant makes full payment of the arrears for the residential service provided to any such prior account in his or her name; or

3.1.1.1.2 The applicant has pending a billing dispute with the Company or the Public Service Commission with respect to any amounts due for service to a prior account in his or her name; or

3.1.1.1.3 The applicant has paid any amounts required by the settlement of a billing dispute relating to a prior account in his or her name; or

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (continued)

3.1.1.1.4 The applicant is a recipient of or an applicant for public assistance, supplemental security income benefits or additional State payments pursuant to the Social Services Law, and the Company receives from an official of the Social Services District in which the applicant resides, or is notified by such an official that the Company is entitled to receive payment for services due on a prior account in the applicant's name together with a guarantee of future payments to the extent authorized by the Social Services Law; or

3.1.1.1.5 The Commission or its authorized designee directs the Company to provide service; or

3.1.1.1.6 The applicant agrees to make payments under a deferred payment agreement of any amounts due for service to a prior account in his or her name. In negotiating the deferred payment agreement with the Company, the applicant may be required to make a reasonable down payment based on his or her financial circumstances, not to exceed one-half of the amount in arrears or three months of average billing, whichever is less. The payments required under the deferred payment agreement would be in reasonable amounts based on the applicant's financial circumstances, on a weekly or monthly payment basis. After receiving service, the customer can renegotiate the payment agreement with the Company if the customer can demonstrate that his or her financial circumstances have changes because of conditions beyond the customer's control.

3.1.1.2 When the Company denies service to a residential applicant, the Company shall send a written notice to the applicant which states the reason or reasons for the denial, specifies precisely what the applicant must do to qualify for service, and advises the applicant of his right to an investigation and review of the denial by the Commission or its authorized designees if the applicant considers the denial to be without justification. The Company shall send the written notice to the applicant within three (3) business days of receipt of the application for service. When the written notice is sent by mail, the Company shall make a reasonable effort to provide immediate oral notice to the applicant.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (continued)

3.1.2 Non-Residential Applicants

3.1.2.1 The Company reserves the right to deny or refuse to supply electric service to a non-residential applicant who has failed to comply with any lawful prerequisite to becoming a customer of the Company. Such prerequisites are detailed in Rule 2.2.

3.1.2.2 The Company shall deny service only by written notice either delivered personally to the applicant or sent to the applicant's current business address or any alternative mailing address provided in the application for service.

3.1.2.3 The written notice of denial shall state the reasons(s) for the denial, specify what the applicant must do to qualify for service, advise the applicant of the right to an investigation by the Commission or its authorized designee if the applicant considers the denial to be without justification, and identify the appropriate address and telephone number of the Commission.

3.1.2.4 The Company shall advise any applicant who submits an incomplete application, in writing and within 3 business days after receipt of the application, of the information and/or documents that must be submitted in order for the application to be considered complete. Such notice shall not itself be considered a denial of the application for service.

3.1.2.5 The Company shall maintain, for a period of not less than one year, service applications that are denied and the Company's written notice of denial

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

3.1.3 The Company requires compliance with appropriate minimum insulation standards for all applications for electric service for new dwellings and any conversions of existing dwellings to electric space heating, as follows:

3.1.3.1 Definitions

- a. "Dwelling" - A building designed or used as a living unit for one or more families. For the purposes of this standard, mobile homes shall not be considered dwellings.
- b. "Historic Building" - Any building or structure designated historically significant by the state or local governing body, or listed (or determined by the Secretary of the Interior to be eligible to be listed) in "The National Register of Historic Places."

3.1.3.2 Minimum Standards for New Dwellings

3.1.3.2.1 Applicability and Compliance

- a. All new dwellings in the State of New York for which an application for a building permit was made and plans were filed on or after January 1, 1979, and all new dwellings within the state for which construction was begun on or after January 1, 1979, will not be eligible for electric service unless the dwellings comply with the New York State Energy Conservation Construction Code. Compliance with this Code will be satisfied under any of the following circumstances:
 - 1. A building permit is obtained for the dwelling from a building code authority or similar authority of power by local law to issue building permits; or
 - 2. An affirmation is given by the contractor or builder on a Certificate of Compliance that the construction of the dwelling will comply with the State Energy Conservation Construction Code within 30 days after occupancy; or
 - 3. A modification or variance from the requirements of the State Energy Conservation Construction Code is issued by the State Board of Review as constituted pursuant to the Executive Law.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

b. For any dwelling constructed after April 1, 1977, but before January 1, 1979, electric service will not be provided without compliance with the Company's minimum insulation standards which were in effect during this time period.

3.1.3.2.2 Waivers

For any dwelling subject to the requirements of Rule 3.1.3.2.1, a waiver from these requirements may be granted by:

- a. The Company, when the overall heat loss for building envelope does not exceed the total heat loss which would result from conformance to the individual requirements. The heat loss calculation shall be certified by a licensed engineer or architect.
- b. The Company, if the applicant for service can establish through two estimates, one of which may be a Company audit, that the purchase price and installation charge (excluding financing charges) will be greater than seven times the anticipated annual savings to be obtained. The annual savings will be based on the present cost of the fuel currently used in the dwelling.
- c. The Public Service Commission for just cause, in unusual circumstances, if the applicant for electric service has been denied a waiver pursuant to Subsections a. or b. or Rule 3.1.3.2.2.
- d. Copies of waivers granted or denied by the Company shall be made available to the Commission. Each applicant that has been denied a waiver shall be promptly informed by the Company of the right to appeal to the Commission.

3.1.3.2.3 Certificate of Compliance

- a. A Certificate of Compliance shall be required by the Company in all areas of the State where no local authority exists to assure compliance with the insulation requirements of the State Energy Conservation Construction Code.
- b. Each Certificate of Compliance shall be signed by the builder or contractor. The owner of the structure shall receive a copy of the certificate.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (continued)

3.1.3.2.4 Compliance Procedures

a. In areas where there is no local building code authority, upon a complaint by a dwelling owner or tenant concerning noncompliance with the provisions of Rule 3.1.3.2, the Company will perform an on-site inspection to determine conformance with the standards concerning roofs, walls, foundations walls, floors, windows and doors. The result of this inspection will be provided in writing to the owner (and tenant when applicable) of the residential building.

b. Whenever the Company finds, as a result of such inspection in Subsection a. or notification by the local building code authority, more than one outstanding complaint against any contractor wherein a dwelling constructed by such contractor or builder was found to be in non-compliance with the applicable standards, the Company shall refuse to provide electric service to any construction site of that contractor or builder until all existing violations are corrected. The Company shall undertake random inspections of the future construction work of a past non-complying contractor or builder until such time as the Company is satisfied that the applicable standards are being met. The Company may charge the builder or contractor a reasonable inspection fee for each residential structure inspected.

3.1.3.2.5 Penalties for Non-Compliance

a. In the event the Company finds that any dwelling fails to comply with Rules 3.1.3.2.1 (a) or 3.1.3.2.1 (b), the Company shall impose a 25 percent surcharge on the customer's total bill for electric and/or gas service until such violations are corrected.

b. The effective date of the surcharge rate shall be:

1. Immediately after notice, in the event the owner is directly responsible for the non-compliance.

2. Ninety days after notice, in the event the owner has not contributed to the efficiencies. No surcharge shall be applied if the owner brings the building into compliance within the ninety day period.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

c. In the event the owner is not billed for the Company's services, no surcharge will be applied to the bills of the non-owner occupants of the dwelling. After notification to the owner that the building is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the Company's total bills for the dwelling that is not in compliance. In the event that circumstances prevent collecting the surcharge amount from the owner of the non-complying building, the Company may refuse future connections for service to new tenants in the dwelling until it is brought into compliance. If the owner is an occupant of the building, but is not billed for the Company's services, the surcharge will be imposed on the bill for services to the unit occupied by the owner.

3.1.3.3 Minimum Insulation Standards for Existing Dwellings Converting to Electric Space Heating

3.1.3.3.1 Applicability and Conditions

An existing dwelling will not be supplied with electric service for the purpose of converting to electric space heating unless:

- a. The roof/ceiling has at least six inches of insulation or insulation with an R value of 19 or greater, and
- b. The dwelling has storm windows or thermal windows with multiple glazing, and
- c. The entrances have storm doors or thermal doors.

3.1.3.3.2 Waivers

a. The utility may waive the requirements in Rule 3.1.3.3.1 where:

1. The applicant for service can establish through two estimates, one of which may be a Company audit, that the purchase price and installation charge (excluding financing charges) will be greater than seven times the anticipated annual savings to be obtained. The annual savings will be based on the present cost of the fuel currently used in the building, or
2. The dwelling is an historical building, or

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

3. Other measures have been taken so that the overall heat loss for the building envelope does not exceed the total heat loss which would result from conformance with the minimum requirements of Rule 3.1.3.3.1. Such a heat loss calculation must be certified by a licensed architect or engineer.

b. In the case of a dwelling having a flat roof, compliance with the roof insulation standard will not be required if four or more inches of insulation are already in place or if insulation can be installed only by means of cutting an opening in the roof.

c. For a dwelling having six or more stories, storm windows will not be required as long as the utility certified that the dwelling's windows are caulked and weatherstripped. This certification shall be made in writing to the Commission. For dwellings having less than six stories, a storm window will not be required on any window opening onto a fire escape.

d. The Commission may grant a waiver of the requirements of Rule 3.1.3.3.1 for just cause, in unusual circumstances if the applicant for electric service has been denied a waiver pursuant to Subsection a. of Rule 3.1.3.3.2.

e. Copies of waivers granted or denied by the Company shall be made available to the Commission. Each applicant that has been denied a waiver shall be promptly informed by the Company of the right to appeal to the Commission.

3.1.3.3.3 Certificate of Compliance

a. A dwelling's compliance with Rule 3.1.3.3.1 shall be certified either by owner, a contractor of the owner's choice who has inspected the building or a utility representative who has inspected the building at the owner's request.

b. The Company shall provide the Certificate of Compliance to the applicant at the time of application for service so that the applicant will be appraised of the requirements for service and the methods by which compliance with the Company's minimum insulation standards can be certified.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (continued)

3.1.3.3.4 Penalties for Non-Compliance

a. The Company shall impose a 25 percent surcharge on the customer's total bill for electric and/or gas services to any dwelling which has been converted to electric space heating and which does not comply with the standards set forth in Rule 3.1.3.3.1.

b. The effective date of the surcharge rate shall be:

1. Immediately after notice, in the event the owner is directly responsible for the non-compliance.

2. Ninety days after notice, in the event the owner has not contributed to the deficiencies. No surcharge shall be applied if the owner brings the building into compliance within ninety days.

c. In the event the owner is not billed for the Company's service, no surcharges would be applied to the bills of the non-owner occupants of the dwelling. After notification to the owner that the building is not in compliance, a surcharge will be billed to the owner. The surcharge will be 25 percent of the Company's total bills for the building that is not in compliance. In the event that the circumstances prevent collecting the surcharge amount from the owner of the non-complying building, the Company may refuse future connections for service to new tenants in the dwelling, but is not billed for the Company's services, the surcharge will be imposed on the bill for service to the unit occupied by the owner.

GENERAL INFORMATION

3. LIMITATIONS OF THE SERVICE OFFER: (Continued)

Certificate of Compliance
New Residential Construction

The undersigned certifies that the: _____ 1 or 2 family residence _____ multi-family residence
at _____
(Location)

is or will be not later than 30 days after time of occupancy, in compliance with one of the following statute provisions
(check appropriate application):

_____ Part 1: E101.6)
_____ Part 3) New York State Energy Conservation
_____ Part 4) Construction Code
_____ Part 5)
_____ Company's Minimum Insulation Standards (applies only to buildings on which
construction began between April 1, 1977 and January 1, 1979)

It is understood that electric service will, depending on the applicable circumstances, not be connected, be subject to a 25 percent surcharge on the Company's total bill for electric and/or gas service at the above location until all violations are eliminated, or be disconnected if upon inspection (consent of which is hereby given) the structure is found not to be in compliance with the conditions set forth above.

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner prior to closing, in the case of new construction, on completion of the electric work and agrees that any successor in title shall be deemed a beneficiary of the undertaking described in this certificate and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Builder or Contractor

Address: _____

Date Rec'd. Mo/Da/Yr

Signature of NMPC Representative

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

Certificate of Compliance
Dwelling Converting to Electric Space Heat

One of the following certificates shall be completed and signed.

1. I _____ am aware that the Minimum
(Owner)

Insulation Standards for Dwellings Converting to Electric Space Heat require my house to have storm doors, storm windows and at least R-19 (usually six inches) roof insulation. I certify that my building at _____ meets those requirements, or that

(Location)

I have obtained a waiver; and I understand that should my building be found not in compliance, a 25 percent surcharge on my utility bill may be imposed or electric service may be discontinued.

The undersigned attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Owner

Date Rec'd.

Address

Signature of NMPC Representative

2. I have inspected the building at _____ owned by _____ and certify that it meets the requirements of the Minimum Insulation Standards for Dwellings Converting to Electric Space Heat.
(Owner)

The undersigned certifies that a properly executed copy of this certificate will be delivered to the owner and further attests that all statements and representations contained in this certificate are true and accurate.

Date

Signature of Contractor or NMPC Representative

Date Rec'd.

Signature of NMPC Representative

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

3.2 Electric service will be supplied by Company subject to the provisions of orders, amendments and interpretations thereof of any governmental body having authority or jurisdiction over such service, notwithstanding anything to the contrary in these Rules and Regulations and the terms and conditions of service as set forth in Company's Service Classifications.

3.3 Applicant should inquire of Company as to arrangements for and as to exact character of service available before proceeding with installation of wiring or ordering of electrical equipment.

3.4 Each dwelling unit, in a residential multiple occupancy building must be individually metered if the internal wiring was not completed prior to January 1, 1977. After this date, the practice of including the electric bill as part of the rent is prohibited for new residential dwelling units. Master metering of such buildings may be permissible when each dwelling unit is submetered pursuant to Rule 8.

3.5 Company shall not be required to provide facilities to supply service in excess of the amount of the kilowatts of demand in application for service.

3.6 Company does not guarantee against variation in voltage or frequency, or against the presence on Company's system or customer's circuits of voltage pulses or harmonic frequencies.

3.7 Company will endeavor at all times to provide a regular and uninterrupted supply of electric service.

3.7.1 In case the supply of service shall be interrupted or irregular or defective or shall fail from causes beyond the Company's control or because of the ordinary negligence of Company, its employees, servants, or agents, Company will not be liable therefore.

3.7.2 When the supply of electric service has been intentionally disconnected in error by the Company for a period of more than 12 hours, compensation for spoilage of food, medicine or perishable merchandise because of a lack of refrigeration will be made by the Company in accordance with the provisions of Rule 14.6.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

3.7.3 Except for the payment of bills already due, neither the Company nor the Customer shall be liable for damages, including payment of minimum billing amounts, for interruptions of service caused by an act of God, windstorm, flood, fire, public enemy, governmental interference, explosion or any other cause whether of the kind here enumerated, or otherwise not reasonably within the control of the Company or Customer. Prompt notice shall be given by the party claiming relief under this provision of the nature and duration of the event leading to such a claim.

3.8 The Company may, without liability therefore, interrupt or curtail service to any customer or customers if an emergency may threaten the health or safety of a person, a surrounding area, the Company's generation, transportation or distribution systems if, in its sole judgement, such action will prevent or alleviate the emergency condition, or in the case of non-residential customers, if there is a need to make permanent or temporary repairs, changes or improvements in any part of the system, or there is a governmental order or directive requiring the Company to do so.

3.8.1 The Company shall, to the extent reasonably feasible under the circumstances, provide advance notice to those whose non-residential service will be interrupted for any of the above reasons.

3.8.2 The Company shall act promptly to restore non-residential service as soon as possible after disconnection under this section; provided, however, that service need not be restored to any building, unit or piece of equipment if, at the time restoration is to occur, the Company has the lawful right to terminate service for another reason pursuant to Parts 11, 12 and 13, 16NYCRR.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

3.9 If Company is unable to deliver service to customer due to strike or other labor disagreement affecting Company's employees, there shall be an appropriate adjustment of minimum and demand charges.

Notwithstanding the provisions of Rule 3.7.3 above, if customer is unable to take service from Company due to strike or other labor disagreement affecting customer's employees, there shall be no abatement of charges under the effective service agreement and at the Service Classification theretofore being applied.

3.10 Neither by inspection, if any, or non-rejection, nor in any other way, does Company give any warranty, expressed or implied, as to the adequacy, safety or other characteristics or any structures, equipment wires, appliances or devices owned, installed or maintained by customer or leased by customer from third parties.

3.11 Company will not be liable for any injury, casualty or damages resulting in any way from the supply or use of electricity or from the presence or operation of Company's structures, equipment, wires, appliances, or devices on customer's premises, except injuries or damages resulting from the negligence of Company.

3.12 For the purposes of this rule, certain terms used herein are defined as follows:

(a) "Power Pool" shall mean the New York Power Pool, established by the New York Power Pool Agreement dated July 21, 1966, as thereafter amended or superseded.

(b) "Member Companies" shall mean Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric Corporation, the original members of the Power Pool.

(c) "PASNY" shall mean the Power Authority of the State of New York.

GENERAL INFORMATION

3. LIMITATION OF THE SERVICE OFFER: (Continued)

(d) "Pool Participants" shall mean the member companies and PASNY.

(e) "Senior Pool Dispatcher" shall mean the employee of the Power Pool on duty at any given time at the Power Control Center of the Power Pool, then having immediate operating responsibility for the analysis of operations and the security of the integrated power systems of the Pool Participants.

3.13 Compliance with directives of the Senior Pool Dispatcher shall, without limitation by reason of specification, constitute a circumstance beyond the control of the Company for which the Company shall not be liable; provided, however, that the Company shall not be absolved from any liability to which it may otherwise be subject for negligence in the manner in which it carries out the Senior Pool Dispatcher's instructions. (See Rule 3.7).

3.14 Without limiting the generality of the foregoing, the Company may, without liability therefore, interrupt, reduce, or impair services to any customer or customers in the event of an emergency threatening the integrity of its system, or any other systems with which it is directly or indirectly interconnected, if, in its sole judgement or that of the Senior Pool Dispatcher (Rule 3.13), such action will prevent, alleviate, or reduce the emergency condition, for such period of time as the Company, or said Senior Pool Dispatcher, deems necessary.

3.15 Customers requiring service which is uninterrupted, unreduced, or unimpaired on a continuous basis, should provide their own emergency or back-up capability.

3.16 Selection of Service Classification:

The Company will endeavor to assist a customer in the selection of the available service classification which may be most favorable to his requirements, but does not make any warranty, expressed or implied, as to the rates, classifications or provisions favorable to the present or future service requirements of the customer.

GENERAL INFORMATION

4. CUSTOMER USE OF SERVICE:

4.1 Company is not responsible for the adequacy or safety of customer's equipment or wiring. Company reserves the right to discontinue service whenever customer fails to maintain such equipment and wiring in a safe and adequate condition or fails to utilize electricity in such a manner as to avoid interference with the service furnished by Company to other customers, or with the use of service by customer or others.

4.2 Customer shall give Company reasonable advance notice, preferably in writing, of any proposed increase in service required, setting forth in such notice the amount, character and expected duration of time the increased service will be required.

4.2.1 If such increase in load exceeds 150 kilowatts, and if it necessitates added or enlarged facilities (other than metering equipment) for the sole use of customer, Company may require customer to make a reasonable contribution to the cost of adding or enlarging the facilities whenever customer fails to give assurance, satisfactory to Company, that the taking of the increased service shall be of sufficient duration to render the supply thereof reasonably compensatory to Company.

4.2.2 If unusual expenditures are or become necessary to supply such proposed service because of the location or character of the customer's installation, Company, upon advanced written notice to the customer, may require customer to make a reasonable contribution toward the cost of the facilities whenever customer fails to give assurance, satisfactory to the Company, that taking of the service shall be reasonably compensatory to the Company.

Customer or Company may apply to the Public Service Commission for a ruling as to the necessity for and reasonableness of the contribution required.

4.3 Customers now receiving service no longer standard with the Company shall not expand the use of such service. They are requested to consult with the Company regarding additional electrical requirements, so that a satisfactory single or three phase 60 cycle service at an appropriate delivery voltage can be made available.

4.4 The Customer shall inquire of the Company as to the type of service to be supplied prior to the purchase of electrical equipment or before proceeding with the wiring installation. In response to such inquiry, the Company will designate the type of service based on the location of the Customer and the size and character of the proposed load. Special consideration will be given to the selection of the type of service to supply electric furnaces, welders, x-ray apparatus and other loads which may interfere with satisfactory service to other Customers.

GENERAL INFORMATION

5. DISTURBANCES:

5.1 Company's service may be refused or withdrawn when Customer's wiring or equipment is so designed or operated as to disturb Company's service to other Customers.

5.2 Motors:

All motors connected to Company lines (1) shall be a type that shall not require starting current deemed unreasonable by Company, or (2) shall have starting devices to restrict the starting current within the limits considered reasonable by Company, or (3) both. Motors of five horse power or less connected to Company's lines shall normally be single phase, and motors over five horse power shall normally be three phase, but Customer should contact Company in advance to ascertain the applicable condition.

5.3 Customer, in taking three phase electric service, shall maintain as nearly as is reasonably possible, equal currents in each of the three phase conductors at the point of taking. If at any time the current in any phase conductor shall exceed the average of the currents in all the three phase conductors by more than five percent (5%), the amount to be paid by Customer for the period within which the unbalance occurred may be increased by a percentage equal to that of the unbalance.

5.4 Automatic Reclosing:

Where the Company has installed on its facilities equipment for automatic reclosing after an interruption of power supply, it shall be the obligation of the Customer to provide at his expense, (1) adequate protective equipment for all electrical apparatus of the Customer that might be adversely affected by the Company's reclosing equipment, and (2) such equipment as may be required for the prompt disconnection of any apparatus of the Customer that might affect proper functioning of the Company's reclosing equipment.

5.5 Electrical Interferences:

If at any time, in the opinion of Company, any devices installed by Customer for purposes other than the distribution of electrical power are causing interference on the electrical system of Company, Customer or to any other person, then, upon notice from Company, it shall be the responsibility of Customer to install remedial equipment or take such other measures as may be necessary to reduce such interference to a tolerable level. Customer shall provide any facilities necessary to secure his own equipment against disturbances including but not limited to voltage pulses or harmonic frequencies, whether originating with his own equipment or elsewhere. Customer shall indemnify Company from all claims and demands against Company by any person in consequence of failure by Customer to perform his obligations under this provision.

GENERAL INFORMATION

6. HIGHLY FLUCTUATING LOADS:

6.1 Customer taking service for the operation of welders, x-ray machines, electric furnaces, hoists or any other equipment having a highly fluctuating or large instantaneous load characteristic which adversely affects voltage regulation or impairs Company's service to Customer or other supplied from the same distribution system, shall remedy the condition in a manner deemed adequate by Company, by either:

(a) installing and maintaining at his own expense the corrective equipment deemed necessary by Company to remedy the condition, or

(b) making a cash contribution of the actual reasonable cost of any standard equipment installed by Company on its side of the point of delivery to effect such correction.

Company may discontinue service if Customer shall fail, upon notice from Company, to comply with the foregoing requirements.

6.2 Welders of capacity larger than 8 1/2 KVA will not be served under Service Classifications No. 1 and No. 2 of this Schedule, except with permission of Company.

GENERAL INFORMATION

7. MAINTENANCE OF POWER FACTOR CORRECTIVE EQUIPMENT:

7.1 Customer who has installed power factor corrective equipment which has to be taken out of service periodically for maintenance or inspection will be permitted to disconnect such apparatus not more than four times per year, for periods of not more than twelve hours each, when such disconnection has been prearranged with and agreed upon by Company. The reactive demand which occurs during such agreed upon periods shall be disregarded in determining reactive demand charges.

8. RESALE, REMETERING OR SUBMETERING:

8.1 Except as hereinafter provided, electric service will not be supplied under any service classification of this rate schedule for resale, submetering, redistribution or other redistribution provided, however, that any customer may furnish electricity for the use of his tenants or for the use of other occupants of his premises provided that the customer shall not resell, make a specific charge for, or submeter or measure any of the electricity so redistributed or furnished.

8.2 Rule 8.1 does not apply to electric service supplied to an electric public utility.

8.3 Pursuant to 16NYCRR Part 96.2, the Company will supply electric service for resale or submetering for residential purposes under the appropriate service classification that would be applicable if the electric service were not being resold under the following conditions:

8.3.1 An applicant requesting a change from direct metering of individual residential customers to a master metered service for the purposes of submetering to the previously individually metered tenants for:

8.3.1.1 Residential cooperatives and condominiums where all tenants are shareholders and the prospective submetering has:

8.3.1.1.1 Certified in writing to the Company that seventy percent (70%) of the shareholders voted in favor of the submetering proposal; and

GENERAL INFORMATION

8. RESALE, REMETERING OR SUBMETERING: (Continued)

8.3.1.1.2 Provided the method and basis for calculating rates to tenants, which shall include a maximum rate provision (rate cap) preventing charges to individual tenants from exceeding the Company's tariffed residential rate for direct metered service to such tenants; and

8.3.1.1.3 Established complaint procedures and tenant protections consistent with the Home Energy Fair Practices Act (Public Service Law, Sections 31-50); 16NYCRR Parts 11 and 12); and

8.3.1.1.4 Provided that any excess revenues resulting from charges to tenants which exceed the Company's billings to the submeter will be used for purposes of energy conservation.

8.3.1.2 Residential cooperatives and condominiums where one or more tenants are non-shareholders and the prospective submeter has:

8.3.1.2.1 Certified, in writing, to the Company that all the non-shareholder tenants have approved the plan that meets the conditions set forth in Rule 8.3.1.1.2 and 8.3.1.1.3; or

8.3.1.2.2 Made application to the Public Service Commission as prescribed in 16NYCRR, Sections 96.2 (b) (1)-(7) and the Company has received authorization, in writing, from the Public Service Commission.

8.3.2 Customers desiring to submeter individual tenants in a building that is now master metered by the Company for:

8.3.2.1 Residential rental units owned or operated by private or government entities and the Company has received authorization from the Public Service Commission in writing based on the prospective submeterer's filing of an application with the Public Service Commission as prescribed in 16NYCRR, Sections 96.2 (b) (1)-(8).

GENERAL INFORMATION

8. RESALE, REMETERING OR SUBMETERING: (Continued)

8.3.2.2 Residential cooperatives and condominiums where all tenants are shareholders and:

8.3.2.2.1 The prospective submeter has certified to the Company, in writing, that a majority of the shareholders voted in favor of the submetering proposal; and

8.3.2.2.2 Provided the method and basis for calculating rates to tenants, which shall include a maximum rate provision (rate cap) preventing charges to individual tenants from exceeding the Company's tariffed residential rate for direct metered service to such tenants; and

8.3.2.2.3 Established complaint procedures and tenant protections consistent with the Home Energy Fair Practices Act (Public Service Law, Sections 31-50; 16NYCRR Parts 11 and 12); and

8.3.2.2.4 Provided that any excess revenues resulting from charges to tenants which exceed the Company's billings to the submeterer will be used for purposes of energy conservation.

8.3.2.3 Residential cooperatives and condominiums where one or more tenants are non-shareholders and the prospective submeterer has:

8.3.2.3.1 Certified, in writing, to the Company that all the non-shareholder tenants have approved the plan that meets the conditions set forth in Rule 8.3.1.1.2 and 8.3.1.1.3; or

8.3.2.3.2 Made application to the Public Service Commission as prescribed in 16NYCRR, Sections 96.2 (b) (1)-(7) and the Company has received authorization, in writing, from the Public Service Commission.

8.3.2.4 Residential occupants in campgrounds, recreational trailer parks and marinas and non-residential occupants as of May 21, 1980.

GENERAL INFORMATION

8. RESALE, REMETERING OR SUBMETERING: (Continued)

8.3.3 Submetering of individual tenants in new or renovated buildings will be allowed for:

8.3.3.1 Residential rental units owned or operated by private or government entities and the Company has received authorization from the Public Service Commission in writing based on the prospective submeterer's filing of an application with the Public Service Commission as prescribed in 16NYCRR, Sections 96.2 (b) (1)-(7).

8.3.3.2 Residential cooperatives and condominiums where all tenants are or will be shareholders and the Company has received authorization from the Public Service Commission, in writing, based on the prospective submeterer's filing of an application with the Public Service Commission as prescribed in 16NYCRR, Section 96.2 (f) (1)-(2).

Upon transfer of control to the appropriate Cooperative or Condominium Board, such board shall certify to the Company that it has:

8.3.3.2.1 Provided the method and basis for calculating rates to tenants, which shall include a maximum rate provision (rate cap) preventing charges to individual tenants from exceeding the Company's tariffed residential rate for direct metered service to such tenants; and

8.3.3.2.2 Established complaint procedures and tenant protections consistent with the Home Energy Fair Practices Act (Public Service Law, Sections 31-50; 16NYCRR Parts 11 and 12); and

8.3.3.2.3 Provided that any excess revenues resulting from charges to tenants which exceed the Company's billings to the submeterer will be used for purposes of energy conservation.

8.3.3.3 Residential occupants in campgrounds, recreational trailer parks and marinas and non-residential occupants as of May 21, 1980.

GENERAL INFORMATION

8. RESALE, REMETERING OR SUBMETERING: (Continued)

8.4 Non-residential customers receiving service as of November 11, 1953 that were permitted to continue the submetering of tenants by a prior Public Service Commission Order are not required to obtain a new approval from the Public Service Commission for submetering.

8.5 Pursuant to the Public Service Commission's Order issued May 21, 1980, the Company will supply electric service for resale or submetering for other than residential purposes under the appropriate service classification that would be applicable if the electric service were not being resold.

Applicants or customers desiring to install submetering in commercial or non-residential situations must submit a proposal to the Public Service Commission for approval. The Company will permit such submetering after receiving authorization, in writing, from the Public Service Commission.

8.6 Pursuant to the Public Service Commission's Order Modifying Opinion No. 76-17 and Establishing Criteria for Classifying Senior Living Facilities in Case No. 99-E-1797, issued and effective March 28, 2000, new senior living facilities that have not yet had metering equipment installed as of April 27, 2000, may be exempt from the requirement for individual metering of living units within the facility and may select master metering of the facility as an alternative, upon the approval of the Company.

A senior living facility shall mean a facility established to provide comprehensive, cohesive, assisted living arrangements for the elderly.

The criteria for classifying senior living facilities as established by the Public Service Commission are: (1) the senior living facility shall provide services that distinguish it from a typical apartment complex and its design will be energy efficient, resulting in electricity usage that does not vary significantly among residential units; (2) the facility shall continue to offer senior living services in the future; and (3) the facility shall promote economic development. A senior living facility must meet all three criteria stated above to be eligible for the exemption from the individual metering requirement.

If a senior living facility as defined in this Rule 8.6 is qualified by the Company for master metering, and thereafter elects to convert the facility to a different use and no longer meets the criteria stated above, the customer shall petition the Company for approval of an appropriate means of receiving electric service.

GENERAL INFORMATION

9. SERVICE RE-ESTABLISHMENT AND DISCONNECTION CHARGES

9.1 Non-seasonal customers

9.1.1 When the Company re-establishes electric service to the same non-seasonal customer at the same meter location within 12 months after disconnection of service, a service re-establishment charge will be made in addition to all other charges under this schedule. The following charges will be assessed for each service:

9.1.1.1 When the customer specifies service to be re-established during normal business hours, the following re-establishment charges will be assessed regardless of the time the service is actually re-established:

9.1.1.1.1 \$34.00 when the service was disconnected at the meter

9.1.1.1.2 \$103.00 when the service was disconnected at the pole

9.1.1.2 When the customer specifies service to be re-established during other than normal business hours, the following re-establishment charges will be assessed:

9.1.1.2.1 \$101.00 when the service was disconnected at the meter.

9.1.1.2.2 \$374.00 when the service was disconnected at the pole.

9.1.1.3 When the customer also receives gas service from the Company which is disconnected at the meter or at the outside service valve for nonpayment of bills, the larger of the two electric and gas charges will be the applicable charge to cover the electric and gas service re-establishment if both services are re-established at the meters at the same time.

9.1.1.4 After agreement with the customer on the date, time and the charge for re-establishment, the Company will endeavor to re-establish service as soon as possible.

9.2 Seasonal customers

9.2.1 When the Company disconnects and/or re-establishes electric service to the same seasonal customer at the same meter location within 12 months after re-establishment or disconnection of service, a disconnection or re-establishment charge will be made in addition to all other charges under this schedule. The following charges will be assessed for each service:

GENERAL INFORMATION

9. SERVICE RE-ESTABLISHMENT AND DISCONNECTION CHARGES (Continued)

9.2 Seasonal Customers (Continued)

9.2.1.1 When the seasonal customer specifies service to be disconnected or re-established during normal business hours, the following charges will be assessed regardless of the time the service is actually re-established or disconnected:

9.2.1.1.1 \$34.00 when the service was re-established or disconnected at the meter.

9.2.1.1.2 \$103.00 when the service was re-established or disconnected at the pole.

9.2.1.2 When the seasonal customer specifies service to be disconnected or re-established during other than normal business hours, the following charges will be assessed:

9.2.1.2.1 \$101.00 when the service was re-established or disconnected at the meter.

9.2.1.2.2 \$374.00 when the service was re-established or disconnected at the pole.

9.2.2 When the same seasonal customer of record has more than one seasonal meter/account at the same location and requests the disconnection or re-establishment of all such meters at the same time by the Company, the first meter will be assessed the full charge presented above, and any other meter(s) will be assessed the partial charge. This partial charge recognizes that no additional travel time and other expenses by the Company's representative is incurred to the other meter(s) since all such meters are at the same location. The partial charges are as follows:

9.2.2.1 When the seasonal customer specifies service to be disconnected or re-established during normal business hours, the following charges will be assessed regardless of the time the service is actually re-established or disconnected:

9.2.2.1.1 \$10.00 when the service was re-established or disconnected at the meter.

9.2.2.1.2 \$30.00 when the service was re-established or disconnected at the pole.

9.2.2.2 When the seasonal customer specifies service to be disconnected or re-established during other than normal business hours, the following charges will be assessed:

9.2.2.2.1 \$15.00 when the service was re-established or disconnected at the meter.

9.2.2.2.2 \$45.00 when the service was re-established or disconnected at the pole.

9.3 For purposes of this Rule, normal business hours are considered to be from 8:00 a.m. to 4:00 p.m., local time, Monday through Friday, excluding holidays.

GENERAL INFORMATION

10. SHORT-TERM AND TEMPORARY SERVICE:

10.1 Short-term service shall be supplied under the applicable service classification upon the payment, each time and for each meter location, of the service re-establishment charge provided in Rule 9. The applicant for such service may be either (1) an individual owner or tenant or (2) the owner, lessee or operator of a resort or other establishment for rentals to transient tenants.

10.2 Temporary service is non-recurring service intended to be used for a short time only, or service to a non-permanent structure or personal property, or service to a building or structure which is non-permanent in that it may be readily removed or relocated or a temporary service connection preliminary to the establishment of permanent service. Temporary service may include the installation of an extension, service lateral, setting meters or other extra work by Company. For such service, the entire cost of making the connection and removing same shall be paid by customer. Payment of such costs and of the estimated bill for service may be required in advance. Temporary service will be furnished under the applicable service classification without term limitation.

11. DUAL SERVICE:

Dual service is two or more separate, duplicate services to customer's installation on a single premise as defined in Rule 1.16. Dual service as so defined shall be supplied under the applicable service classification and pursuant to the provisions of Rule 28.2.

12. CANCELED

GENERAL INFORMATION

13. ACCESS TO PREMISES:

13.1 In accepting service, customer grants to identified Company employees and agents the right of access to customer premises, or any building or other location supplied with service by the utility, at all reasonable times for such purposes as the reading of meters, inspection and examination of meters, wiring and appliances, or installing, operating, maintaining, disconnecting and removing any or all of the property belonging to the Company. Company may discontinue service if access to its meters or other equipment is unreasonably refused, or if access is obstructed or hazardous provided Company has complied with applicable provisions of 16NYCRR, Parts 11, 12 and 13.

13.2 In the case of non-residential customers receiving service, except to the extent prevented by circumstances beyond its control, the Company shall conduct a field inspection as soon as reasonably possible and within 60 calendar days of a reasonable customer request, issuance of a field inspection order in accordance with an automatic utility bill review program, notification from any reasonable source that service may not be correctly metered or a directive by the P.S.C. or its authorized designee.

13.3 The Company may bill a \$100 penalty charge to a non-residential customer who, at any time, directly or indirectly prevents or hinders a duly authorized employee or agent of the Company from entering the building or location, or from making an inspection or examination, at any reasonable time. The penalty may be billed for each such offense as provided in Section 65 (9) of the Public Service Law.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHHOLDING OF SERVICE:

14.1 Company may discontinue the supply of electricity for non-payment of bills rendered for service or for failure to post a required deposit when Company has complied with:

14.1.1 Non-Residential Customers

The procedure and form of notice required by 16NYCRR, Part 13, provided that there will be no discontinuance of service until at least eight (8) days after the mailing of the final notice of termination, five (5) days if notice has been personally served upon the customer.

14.1.2 Residential Customers

The procedures and form of notice required by 16NYCRR parts 11 and 12, provided that there will be no discontinuance of service until at least fifteen (15) days after the mailing of the final notice of termination.

14.1.3 Multiple Dwelling Customers

Where service is to an entire multiple dwelling (as defined in the Multiple Dwelling Law or Multiple Residence Law) the procedures and form of notice required by 16NYCRR Part 11.7, provided that there will be no discontinuance of service until at least eighteen (18) days after the mailing and posting of the appropriate notices.

14.1.4 Copies of the Company's discontinuance of service and complaint handling procedures along with the provisions contained in Parts 11, 12 and 13, 16NYCRR are available for inspection at Company offices where applications for service may be made in person.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHHOLDING OF SERVICE:
(Continued)

14.2 Any complaint filed with the Company regarding disputed bills, charges or deposits will be promptly investigated in accordance with the procedures and form of notice required by Public Service Commission rules contained in Part 143 - Notice of Discontinuance and Complaint Procedures, of Subchapter D - Rates and Charges of Chapter II of Title 16 of the New York Code of Rules and Regulations, Sections 143.8 and 143.9.

14.2.1 The Company may discontinue service to a customer who has disputed a bill or deposit when Company has complied with said Commission rules.

14.2.2 Copies of Company's Notice of Discontinuance and Complaint Handling Procedures and form of notice are on file with the Commission and are available to the public upon request at Company offices where applications for service are received.

14.2.3 In connection with a complaint, the rules of the Public Service Commission or Company's Notice of Discontinuance and Complaint Handling Procedures may authorize the release of Company data or information to a Customer or to a Customer's authorized representative. Any disclosure of such information shall be as set forth in Rule 26.13.

14.3 In addition to the provisions of the Service Classifications as to the term of their respective Agreements for Service, the Company reserves the right to withhold service or to discontinue service or terminate any agreement therefore, in such manner as may be permitted by law under the circumstances, if the customer at any time refuses or fails to make application and Agreement for Service as provided by this schedule or defaults in the payment of a bill rendered for service, or if the customer refuses or fails to comply with any applicable provision, rule, regulation, term or condition of this schedule, or with any applicable law or order of the Public Service Commission or other authorities having jurisdiction, or if the customer's installation or part thereof is deemed by the Company to be unsafe, inadequate or unsuitable for receiving the Company's service, or to interfere with or impair the continuity or quality of the Company's service to the customer or to others, or if changes at customer's premises cause Company's facilities to become unsafe, inadequate or unsuitable.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHHOLDING OF SERVICE: (Continued)

14.4 If any wire or other contrivance is connected upon customer's premises with any wire used for supplying electricity to customer in such a manner that customer takes electricity under such circumstances that a meter provided by Company for the purpose does not register the quantity consumed or if any meter or other instrument installed upon customer's premises for measuring the quantity of electricity consumed is wrongfully obstructed, altered, injured or prevented from functioning, or if any fraud upon Company shall be practiced upon Customer's premises, Company may, at any time, discontinue the supply of electricity to the residential customer and remove its meter or meters, apparatus and wires, provided the Company has complied with all applicable provisions of 16NYCRR Parts 11, 12 and 13. In the case of non-residential customers, prior to discontinuing service, the Company must:

14.4.1 have evidence that the customer opened the account and used the service prior to the creation of the condition or that the customer knew, or reasonably should have known, that service was not being fully billed.

14.4.2 have rendered a written unmetered service bill.

14.4.3 have made reasonable efforts to provide a person in charge of the premises both the written unmetered service bill and oral notice of the conditions, if any, under which the Company will continue service, which may include the payment by cash, certified check, or money order within two hours, of some portion of the bill up to, but not exceeding 50 percent.

14.4.4 have not received the required payment.

14.5 When the supply of electricity has been discontinued for any of the reasons set forth in this Rule 14, the Company is obligated to reconnect terminated service within 24 hours, unless prevented by circumstances beyond the Company's control or unless a customer requests otherwise, in the following situations:

14.5.1 Receipt by Company of the full amount of arrears and/or a security deposit for which service was terminated, and, in the case of non-residential customers, any other tariff charges billed after the issuance of the termination notice which are in arrears at the time reconnection is requested.

14.5.2 Agreement by the Company and the customer on a deferred payment plan and the payment of a downpayment, if required, under that plan.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURE AND THE WITHHOLDING OF SERVICE:
(Continued)

14.5.3 The utility shall reconnect service that has been terminated within 24 hours after the direction of the Commission or its designee. In the case of non-residential service, such direction may occur only where the termination was in error, or the customer has filed a complaint with the Commission and has either paid in full the undisputed amount or has entered into a deferred payment agreement and has paid the required downpayment.

14.5.4 Upon the receipt by the Company of a commitment of a direct payment or written guarantee of payment from the social services official of the social services district in which the residential customer resides.

14.5.5 Where the Company has notice that serious impairment to health or safety is likely to result if residential service is not reconnected.

14.5.6 The utility shall reconnect service that has been terminated solely for failure to provide access within 24 hours of the non-residential customer's request for reconnection, provided the customer has allowed access and has made a reasonable arrangement for future access.

14.5.7 The utility shall reconnect non-residential service that has been terminated solely for a violation of the tariff within 24 hours of a customer's request for reconnection and, at the option of the utility, either receipt by the utility of adequate notice and documentation, or a field verification by the utility, that the violation has been corrected, provided, however, that the field verification, if required, shall be arranged within two business days of the customer's request or such later time as may be specified by the customer.

14.5.8 The utility shall reconnect non-residential service that has been terminated for two or more independent reasons when the customer has requested reconnection and has satisfied all conditions for reconnection. The reconnection shall be accomplished within the time period applicable to the last condition satisfied under 14.5.1, 14.5.6 and 14.5.7 of this section.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURE AND THE WITHHOLDING OF SERVICE:
(Continued)

14.5.9 Whenever circumstances beyond the utility's control as set forth in 2.1.4.1.6 and 2.1.4.2, prevent reconnection of service within 24 hours of any of the events specified in Section 14, service shall be reconnected within 24 hours after those circumstances cease to exist.

14.6 When the supply of electricity has been intentionally disconnected by the Company in error causing a loss of electric service for more than 12 hours:

14.6.1 A directly or indirectly served residential consumer may recover up to \$100 for food or medicine which spoils due to lack of refrigeration.

14.6.2 Directly or indirectly served non-residential consumers may recover an amount not to exceed \$2000 for perishable merchandise which spoils due to a lack of refrigeration.

Claims for such loss must be filed with the Company within 90 days from the date of such disconnection.

14.7 Discontinuance of Service Outdoor Advertising Signs, Displays or Devices:

Electric service to outdoor advertising signs, displays or devices shall be discontinued upon receipt of a written notification from an authorized official of the New York State Department of Transportation if there will be no adverse effect on electric service supplied for any other purpose.

14.7.1 The written notification shall state the following:

14.7.1.1 The outdoor advertising sign, display or device has been found to be illegal and has been declared a public nuisance under Section 88 (8) of the Highway Law.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHOLDING OF SERVICE: (Continued)

14.7.1.2 A 30 day notice was given to the sign owner under Section 88 (8) of the Highway Law and the date that such notice was given.

14.7.1.3 The 30 day statutory notice had not been stayed by court proceedings.

14.7.1.4 The Department of Transportation has complied with all provisions of Section 88 (8) of the Highway Law.

14.7.1.5 Company is to be provided a definitive description and location of the outdoor advertising sign, display or device for which electric service is to be removed.

14.7.1.6 The anticipated removal date of the outdoor advertising sign, display or device.

14.7.1.7 The cost of terminating electric service to the illegal sign, display or device shall be reimbursed to the Company by the Department of Transportation.

14.7.2 Service to the illegal sign, display or device shall be discontinued no later than fifteen (15) days after the Company's receipt of written notice from the Department of Transportation.

14.7.3 When a discontinuance of service to outdoor advertising signs, displays or devices is made, the sign owner will not be entitled to refunds for excess line extensions, service lateral charges, or any other installation charges paid to the Company for the initial installation.

14.8 In accordance with Public Service Law, Article 2, and Chapter 686 of the Laws of 2003, effective June 18, 2003, Residential Customer's who obtained their commodity service from an ESCO and received a consolidated bill from the Company, may have their delivery service suspended by the Company and commodity services terminated by the ESCo for failure to pay their commodity charges with an ESCo under the following conditions:

14.8.1 The Company is notified by the ESCo in a manner and form as prescribed by the Public Service Commission. The request for suspension must include sufficient documentation to confirm that such termination was in compliance with Public Service Law, Article 2.

14.8.1.1 The Company will accept, after review for completeness, a request for suspension of delivery service submitted by the ESCo. An ESCo may request suspension of a Residential Customer's delivery service within one year after termination of the customer's commodity service.

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHOLDING OF SERVICE: (Continued)

14.8.1.2 Upon receipt of an ESCo's request for suspension, the Company will follow HEFPA procedures prior to discontinuing delivery services to the Residential Customer.

14.8.2 The Company is providing distribution services to the customer at the time of suspension.

14.8.3 In accordance with all the provisions of Rule No. 26.12, a Deferred Payment Agreement will be offered by the Company and ESCo, either jointly or separately at the Company's and ESCo's discretion, before service is suspended. The customer must accept and abide by the terms of the Deferred Payment Agreement.

14.8.4 The Company will only suspend delivery service, at the ESCo's request, for the delivery of the commodity for which the Residential Customer is in arrears to the ESCo. The Company will continue to maintain its rights to discontinue delivery and commodity service in accordance with the provisions of Rule No. 14.

14.8.5 The Company will implement the ESCo initiated suspension within the same schedule as the Company's suspensions. If the ESCo initiated suspension cannot be implemented on a timely basis, the ESCo will be notified and a subsequent suspension to the Residential Customer will be issued, if necessary and all reasonable action to effectuate suspension as soon as possible will be taken.

14.8.6 All ESCo initiated suspension of service for non-payment of commodity charges will be subject to the charges established by the Company in Case Nos. 99-M-0631 and 03-M-0017 and will be the responsibility of the ESCo requesting termination. The ESCo initiated disconnect charges are set forth below.

14.8.6.1 When the Company suspends service to a customer for non-payment of commodity charges initiated by an ESCo, a suspension charge will be assessed. The charge applicable to all ESCos will be \$37.04 at the meter and \$112.21 at the pole during normal business hours.

14.8.6.2 When the Company suspends service to a customer for non payment of commodity charges initiated by an ESCo and disconnects the same customer for non payment of delivery charges for the utility, the charges in Rule No. 14.8.6.1 will be reduced by fifty percent (50%).

GENERAL INFORMATION

14. DISCONTINUANCE AND COMPLAINT PROCEDURES AND THE WITHOLDING OF SERVICE: (Continued)

14.8.7 The Company will take all action within its control necessary to resume service of electric delivery and commodity to the Residential Customer if the customer makes full payment of the amount of arrears that were the basis for the termination.

14.8.7.1 A Customer may resume service for an ESCo-initiated suspension of delivery service by paying the lesser amount of combined utility delivery and ESCo commodity charges or bundled utility commodity and delivery service as calculated by the Company coincident with the time period that the Customer is in arrears with the ESCo. If the amount calculated by the Company is less than the amount that the Customer is in arrears with the ESCo for termination, the Customer will still be liable for any difference between the total arrears owed and the payment made to restore service.

14.8.8 The Company will charge the ESCo \$2.00 per bill, per month, per service for each residential account if an ESCo requests the Company to calculate a bill as if electric power supply had been purchased from the Company.

14.8.9 For purposes of the above Rule 14.8 the following terms apply:

14.8.9.1 "Termination" - Refers to ending an ESCo's provision of commodity service.

14.8.9.2 "Suspension" - Refers to a Customer's loss of delivery service at the request of an ESCo.

14.8.9.3 "Discontinuance" – Refers to a Customer's loss of delivery service due to the non-payment of distribution utility charges.

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES:

15.1 Company will furnish, place, construct, operate, maintain and when necessary replace at its own cost and expense all overhead electric lines and other facilities within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the legislative body of any city, town, village, county or the State of New York, or on private right-of-way when Company elects to use such a route in lieu of construction within such limits, under the terms and conditions hereinafter provided. The Company will comply with 16NYCRR Parts 98.4 and 98.5, where applicable, as adopted by Public Service Commission Order No. 93-20 in Case No. 92-M-0607 issued and effective September 21, 1993.

15.2 Upon written application for service by an applicant whose property abuts on, or has access to, any public right-of-way, other than a controlled access highway, within 500 feet for single phase service or 300 feet for three phase service of any overhead electric line, Company shall furnish, place and construct at its own cost and expense such lines, service connections and facilities as are necessary to render the service requested. For secondary and primary services, the cost of additional overhead facilities shall be determined based upon average historical actual costs as filed in annual statements reconciled to the installed span footage whenever the installed span footage varies from the footage provided in the initial design by more than 10 feet and actual number of pole sets. If the actual installed span footage is equal or less than the free span footage allotment pursuant to this tariff, then the customer contribution shall be returned to the customer. Costs for the extension of subtransmission and transmission services will be actual costs.

15.3 Whenever an applicant whose property abuts on, or has access to, any public right-of-way, other than a controlled access highway, and the distance is greater than 500 feet for single phase service or 300 feet for three phase service of any overhead electric line, and Company has authority to render service to said property, Company shall furnish, place and construct such lines to serve said property, provided:

15.3.1 That applicant shall first have assured Company that the service requested will be of a reasonably permanent nature, and

15.3.2 That applicant shall either:

15.3.2.1 Deliver to the Company, free from cost any necessary right-of-way agreements, or;

15.3.2.2 Pay in advance or agree in writing to pay the Company any charge relating to the Company's acquisition of the necessary right-of-way agreement(s), so long as the applicant indicates to the Company in writing that he or she has been unable to obtain such agreement(s).

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES: (Continued)

15.3.3 That applicant shall furnish reasonable security as to performance of his/her agreement if so required by Company.

15.3.4 That applicant shall pay or agree in writing to pay the Company a lump sum charge for material and installation costs relating to any portion of the distribution and/or service lines that exceed the portion which the Company provides without customer contribution, as calculated on Form "B", Application For Electric Extensions. Should additional customers be connected from said distribution and/or service lines during the initial five (5) year period from the date energized, ten (10) year period for residing applicant, customer will receive a prorata refund for cost of that additional portion of distribution and/or service lines which Company would have allowed without customer contribution; or

15.3.5 A residing applicant has the option to elect a surcharge in lieu of a lump sum payment. The surcharge may include right-of-way acquisition costs defined in Rule 15.3.2.2, and shall be applicable for ten (10) years, billed in installments as determined by the Company. The surcharge shall be reviewed, recalculated and adjusted for the remaining payment period as a new customer(s) is added. The interest factor shall remain constant for the life of the surcharge for each customer.

The monthly surcharge shall be calculated as follows:
(cost of excess facilities X interest factor)

The interest factor shall be calculated as follows:
$$(C/12)/(1-(1+(C/12))^{-120})$$

Where C is the Company's weighted pre-tax cost of capital awarded in the prior rate proceeding.

15.3.5.1 At any time, the customer may make a lump sum payment of the outstanding principal balance. Such lump sum payment shall be subject to refund for the remaining term under Rule 15.3.4.

15.3.5.2 The surcharge shall cease if at any time the number of customers added to the extension equal or exceed the applicable footage allowances of the total extension, or the gross revenue in each of two consecutive calendar years from those customers receiving electric service from the distribution line extension exceeds 1.5 times the total cost of the extension.

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES: (Continued)

15.3.5.3 The remainder of any surcharge shall be collected from any subsequent owner(s) of the premises served, provided the Company has included the bold face notice required by 16NYCRR 98.3(f) in its surcharge agreement. The applicant shall inform such prospective owner(s) in writing prior to a closing on its property of the surcharge. Failure to provide proper notification does not relieve the previous owner(s) from the responsibility for payment of the surcharge.

15.3.5.4 Customers paying a surcharge prior to November 22, 1993 may, at their option:

- (i) continue paying the current surcharge amount until a ten year period has lapsed from the date of initial payment at which time the surcharge will cease, or
- (ii) pay as a lump sum the difference between the initial amount the applicant was responsible for with any payments credited, or
- (iii) convert the lump sum amount calculated in (ii) to a ten year surcharge in accordance with Rule 15.3.5.

15.3.5.5 If the initial amount of the surcharge is less than \$1,000 for the distribution line, the service line, and/or the right-of-way acquisition, applicant shall make a lump sum payment.

15.3.5.6 In the case of multiple, initial, residing applicants for service from the same extension, or subsequent residing applicants requesting service from an existing extension which was available to provide service less than 10 years prior, the surcharges and/or lump sum payments of new applicants and/or existing customers will be recalculated according to the following rules:

- (i) No applicant will incur any cost for footage which is within the aggregate free allowance of all applicants who are connected to the extension with the first 10 years of its rendering service.
- (ii) The aggregate free footage allowance for all applicants and customers served by the extension within the first 10 years of its rendering service will be 500 feet per applicant/customer.

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES: (Continued)

15.3.5.6 (Continued)

(iii) An applicant will not incur any cost for footage of the extension which is not necessary to serve the applicant. Each applicant is responsible for the cost of any footage, beyond the aggregate free allowance, which serves only that applicant, and for a prorata share of the cost of any footage, beyond the aggregate free allowance, which serves both the applicant and any other applicant(s) or customer(s). A pro rata share shall be calculated based upon the costs and expenses for each shared portion of the extension divided by the number of customers that are supplied by that portion of the extension.

(iv) An applicant who requests an extension that requires further extension along the same, or branches from the path of an existing extension which began rendering service less than 10 years prior, is treated as an additional applicant to the existing extension, and an applicant for a new extension with respect to the additional footage beyond the existing extension, or the branch extension. Such an applicant will receive 500 feet of free footage, which is first applied to any footage of the previously built extension which is beyond the aggregate free allowance of the previous customers and which serves the new applicant. Any remaining free footage will then be applied to the branch extension built for the new applicant. Any future applicants who request service from the branch extension must contribute to the cost of any portion of the original extension which provides service to them and are in excess of the aggregate free allowance, if they take service within the original 10 year service period. Future applicants must also contribute to the costs of portions of the new branch extension which provides service to them and are in excess of the aggregate free footage, if they take service within the first 10 year service period for the branch extension.

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES: (Continued)

15.4 Company reserves the right to defer construction of an extension until the premises of all applicants for such extension shall have been properly wired for the service intended.

15.5 Company shall have the exclusive right to decide on the kind of facilities to be provided for any line extension and all extensions shall be the sole property of Company regardless of whether or not contributions have been made by an applicant.

15.6 The portion of the service lateral beyond the limits of a street, avenue, road or way as hereinbefore defined shall be provided, placed, constructed and maintained in accordance with Rules 21 and 22 hereof.

15.7 When Company acquires facilities from another utility, customers served from a line extension constructed under the extension plan of the other utility shall receive service in accordance with the terms and conditions of agreements made with other utility for the term specified therein.

15.8 A successor to a customer connected to an overhead line extension constructed under Rule 15.3 shall, as a condition of receiving service, agree to pay to Company the rates set forth in the service classification under which electric service is to be supplied to him/her and in addition the amount of surcharge allocable to him under the provision of Rule 15.3.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION:

16.1 Applicability:

Pursuant to the Public Service Commission's Opinion and Order establishing rules and regulations pertaining to underground electric facilities issued on December 28, 1971, as amended and supplemented on July 31, 1973, and September 21, 1993 in Opinion No. 93-20. The Company will comply with 16NYCRR Parts 98.4 and 98.5, where applicable, as adopted by Public Service Commission Order No. 93-20 in Case No. 92-M-0607 issued and effective September 21, 1993. The following are the qualifications of applicability:

16.1.1 Extensions of electric distribution lines necessary to furnish permanent electric service shall be made underground for the following types of construction:

16.1.1.1 Residential subdivisions on which it is planned to build five (5) or more dwellings, (or)

16.1.1.2 A multiple occupancy dwelling which will contain four (4) or more residential apartments, (or)

16.1.1.3 Mobile homes in new mobile home parks of five (5) or more improved sites furnished with permanent sewer and water facilities, (or)

16.1.1.4 Within identified Visually Significant Resources (VSR), in accordance with the Rules and Regulations of the Public Service Commission set forth in 16NYCRR Part 99 as adopted in Opinion No. 93-20. The provision of underground facilities by the Company may be subject to certain exemptions outlined in 16NYCRR Parts 98, 99 and 100, (or)

16.1.1.5 Within areas required by governmental authority with appropriate jurisdiction to have underground facilities.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.1 Applicability: (Continued)

Exemptions From Underground

16.1.2 The following exemptions allow overhead residential distribution facilities within subdivisions:

16.1.2.1 An applicant(s) may be served overhead provided:

16.1.2.1.1 The developer of the subdivision is not the builder of the dwelling units,
(and)

16.1.2.1.2 Underground distribution is not mandatory by municipal ordinance or
other governmental regulation, (and)

16.1.2.1.3 Either:

16.1.2.1.3.1 Five or more years have elapsed from the first lot sale in the
subdivision to the first application for service and Company has no
indication of any other new applicants within the next 6 months, (or)

16.1.2.1.3.2 Five or more years have elapsed from the final approval of the
subdivision or a section of the subdivision and less than 25% of the lots
have been sold in the subdivision and every section thereof except where,
10% or more of the lots in the subdivision or any section thereof have been
sold in the last 2 years, (or)

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.1 Applicability: (continued)

16.1.2.1.4 In cases where an overhead installation would be permissible in accordance with Rule 16.1.2.1.3 above, but less than five years have elapsed and Company believes that the subdivision or section of the subdivision will not be developed sufficiently in the near future to permit orderly utilization of underground lines installed to serve the initial applicant(s), Company may petition the Commission to allow overhead construction.

16.1.2.2 The average trench footage per lot within the subdivision exceeds 200 feet, overhead facilities may be installed, provided underground facilities are neither requested by the applicant nor required by governmental authority with jurisdiction to do so.

16.1.3 Company is permitted to provide overhead distribution facilities to a subdivision cul-de-sac by extending no more than 600 feet of overhead facilities into the cul-de-sac, if no governmental authority having jurisdiction to do so has required undergrounding and the utility can provide service to the entire subdivision. The existing overhead facilities must be presently within or at the entrance of the cul-de-sac. When this type of construction is planned, the Company must notify the Public Service Commission quarterly regarding the date of construction, the details of the construction, and its location.

16.1.4 Company is permitted to provide overhead service to a street if overhead facilities exist on each end of the street and the distance between the overhead facilities is less than 1200 feet, if no governmental authority having jurisdiction to do so has required undergrounding and the utility can provide service to the entire subdivision. When this type of construction is planned, the Company must notify the Public Service Commission quarterly regarding the date of construction, the details of the construction and its location.

16.1.5 The Company's obligation to underground distribution lines, service lines and supply lines in VSRs is subject to financial limitations and other conditions set forth in more detail in 16NYCRR Part 98.

16.1.6 The Company is permitted to provide overhead service lines to new applicants from existing overhead lines, provided underground facilities are neither requested by applicant nor required by governmental authority with jurisdiction to do so.

16.2 Definitions (See Section 1.19)

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.3 Rights-of-Way and Easements:

All Applicants:

16.3.1 Applicant shall provide the Company satisfactory permanent easements or right-of-way agreements in accordance with Rule 15.3.2. These provisions are applicable irrespective of the length of the extension.

Non-Residing/Non-Residential Applicants/Developers:

16.3.2 Rights-of-way and easements must be cleared of tree stumps, brush and other obstruction at no charge to Company, and be graded to within six inches of final grade by applicant before Company will commence construction. Such clearance and grading must be maintained by applicant during construction by Company.

16.3.3 The applicant shall provide a survey map certified by a licensed professional engineer or land surveyor. The map shall be approved by the appropriate governmental authority having control over land use. The map shall be certified as final, showing the location of each lot, sidewalk, and roadway, including designation of individual lots to be initially served.

16.3.4 The applicant shall provide a map showing the location of all other existing and proposed underground facilities, including but not limited to sewers, water facilities and drainage facilities, shall be furnished to the Company by the applicant as soon as the location of such facilities is known.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.4 Installation of Underground Distribution Systems:

Outside a Subdivision

16.4.1 Company will furnish, place, construct, operate, maintain and when necessary replace at its own cost all underground electric lines and other facilities within the territorial limits of any street, avenue, road or way that is for any highway purpose under the jurisdiction of the legislative body of any city, town, village, county or the State of New York, or on private right-of-way when Company elects to use such a route in lieu of construction within such limits, under the terms and conditions hereinafter provided.

16.4.1.1 Upon receipt of a proper application for underground residential service and when underground service is required by governmental jurisdiction, the Company will install underground distribution lines and contribute towards the cost for service laterals. Each applicant is entitled to 100 feet of free underground distribution line, or the equivalent cost of 100 feet of service lateral credit as defined in Rule 16.4.6., measured from the connection point at the bottom of the riser pole for overhead to underground connections. For multiple occupancy buildings, the free underground distribution line entitlement is equal to 100 feet times the average number of dwelling units per floor.

16.4.1.2 Applicant's requesting or required to accept service under these conditions are subject to the same payment regulations as stated in Rule 15.3 of this tariff. However, if the cost of installing the necessary facilities will be greater than two times the cost of installing such facilities calculated using the applicable charges per foot, the Company may petition the Commission to allow a greater contribution to the cost of the facilities than these rules would otherwise require.

16.4.1.3 For installations outside of subdivisions and multiple occupancy buildings, for secondary and primary services the material and installation costs of underground supply, distribution and service lines shall be determined based upon average historical actual costs as filed in annual statements reconciled to the installed trench distance whenever the installed trench varies from the initial design by more than 10 feet. Costs for the extension of subtransmission and transmission services will be actual costs.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

Within a Subdivision

16.4.2 Upon receipt of a proper application for underground service pursuant to this Rule 16, Company will furnish, place, construct, operate, maintain and when necessary replace at its own cost all underground electric distribution facilities within the subdivision, and inform the telephone company serving the area in which the subdivision is located of the receipt of such application, and upon compliance by the applicant with the requirements of these rules, Company will install underground electric distribution lines with sufficient capacity, including reasonable provision for load growth, and suitable material which, in its judgment, will assure that the applicant will receive safe and adequate electric service. Such installation shall be undertaken by Company as soon as reasonably possible after receipt of a proper application and shall be made at a time appropriate to render service. Company reserves the right to schedule installation in all or any portion of a subdivision in a manner appropriate to render service. Construction will not be delayed by Company so that applicant will be held up in the sale or other disposal of the buildings, or lots, except where such delay is caused by strikes, fire, flood, inclement weather, unavailability of materials, civil disorders, or other conditions beyond the control of the Company. No overhead circuits, including street lighting circuits, shall thereafter be installed by Company within a subdivision having underground electric distribution lines.

16.4.3 Where the average footage per dwelling unit served exceeds 100 feet, the applicant shall contribute to the cost of the excess footage. For the purpose of this rule, average footage per dwelling unit served will be determined by dividing the total footage of underground distribution line or service line required in the applicant's subdivision by the number of dwelling units to be served at the time the underground electric distribution system is installed. On the effective date of this leaf, the average cost per foot of underground distribution line based upon experienced costs for all underground distribution line extensions in residential subdivisions is \$24.17 per trench foot. Company must file the new average cost per foot with the Commission no later than May 1st of each year. Where Company has on file an application executed and accepted by Company prior to the effective date of this leaf for such extension and construction is commenced not later than thirty days after the effective date of this leaf, the Company will honor the prior application or the applicant has the option of reapplying for the average cost per foot set forth herein.

16.4.3.1 Where the per foot cost of the installation will be greater than two times the cost of installing such facilities as calculated using the applicable charges per foot currently in effect, the applicant or Company may petition the Public Service Commission for the installation of overhead facilities.

16.4.4 If a charge to the applicant has been required under Rule 16.4.3 and if, after the underground distribution system is installed, additional dwelling units are constructed and take service from distribution line, Company will recalculate charges under Rule 16.4.3 as if the additional dwelling units had been constructed at the time of original construction within the subdivision, and will make an appropriate refund of such charges without interest. Any portion of the charges remaining unrefunded five years from the date Company is first ready to render service from the underground electric distribution lines installed with respect to the subdivision for which application hereunder was first made, shall be retained by Company and credited to the appropriate plant accounts.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.4.4.1 The non-residing applicant/developer may elect to excavate and backfill the trench necessary for the underground distribution lines within the residential subdivision in accordance with the Company's standards and practices and pursuant to a construction schedule agreed to by the Company. The Company shall not be responsible for any delays caused by the non-residing applicant or developer's failure to construct in accordance with the Company's standards and practices and the agreed work schedule. The Company will reimburse the non-residing applicant/developer \$13.82 per trench foot for the trenching ultimately performed by the non-residing applicant/developer.

16.4.5 Company reserves the right to designate the service connection point to a building or to a multiple-occupancy building and the point at which any service lateral will connect to Company's electric distribution lines or equipment. The portion of the service lateral not within the bounds of the street or highway shall be installed by the applicant in accordance with Company's specifications and pursuant to Rule 21.5 of General Information.

16.4.6 Service lateral credit, where applicable, will be granted to the applicant for electric service for the dwelling after it has been energized. Service lateral credits will not be given for more footage than the actual length of the service lateral. On the effective date of this leaf, the credit is \$24.48 per trench foot.

16.5 Connection to Supply System:

16.5.1 The supply line installed to the non-residing applicant/developer's subdivision shall be made in accordance with the following requirements:

a. On the effective date of this leaf, the average cost per foot of underground connecting supply line based upon experienced costs for all underground connecting supply lines required to serve residential subdivisions is \$21.87 per trench foot. Company must file the new average cost per foot with the Commission no later than May 1st of each year. Where the Company has on file an application executed and accepted by the Company prior to the effective date of this leaf for such extension and construction is commenced not later than thirty days after the effective date of this leaf, Company will honor the prior application or the applicant has the option of reapplying for the average cost per foot set forth herein.

b. Where a governmental authority having jurisdiction over land use requires supply line to be placed underground, the specified footage allowance shall apply in the sequential order of supply, distribution and service lines, respectively.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

c. In the absence of a governmental requirement where any part of such connection is to be placed overhead, applicant must submit a written application to the Company at least 75 days prior to the projected commencement of the construction of the supply line, and the Company must report such projected construction to the Public Service Commission for its approval no later than 45 days before such construction is commenced.

d. Company may, at its sole discretion and expense, underground additional portions of such connecting supply lines.

16.5.2 Whenever Company intends to place any underground connecting supply lines between an existing distribution system and the underground distribution lines installed within an applicant's subdivision, it will inform the telephone company and cable television company serving the area in which the subdivision is located.

16.6 Letter of Credit by Non-Residing Applicants:

16.6.1 In order to guarantee performance, the Company may require from the non-residing applicant/developer, before construction is commenced, a reasonable deposit, in the form of an acceptable Letter of Credit, or a cash deposit, but in no event greater than the estimated cost of construction. The Letter of Credit, when required, shall be applicable only to that portion of the extension not covered by contributions and shall be in addition to any contributions which may be required of the non-residing applicant/developer pursuant to Rule 16.4 and 16.5. An annual review shall be performed and the Letter of Credit shall be reduced by the required amount on a prorata basis as each new customer is connected with service from Company.

16.6.2 Any portion of the Letter of Credit, made by the non-residing applicant/developer, remaining after five years, from the date the Company is first ready to render service from the underground electric distribution lines installed with respect to the subdivision for which application hereunder was first made, shall be retained by Company and credited to the appropriate plant accounts.

16.6.3 Any cash deposit received shall be returned quarterly to the non-residing applicant/developer with interest, on a prorata basis as each new customer is connected with service from the Company. The interest is calculated at the Company's current deposit rate. Any portion of the cash deposit made by the non-residing applicant/developer remaining after five years from the date the Company is first ready to render service from the underground electric distribution lines, shall be retained by the Company and credited to the appropriate plant accounts.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.7 Cooperation by Applicant:

16.7.1 Each applicant will cooperate with Company in an effort to keep the cost of construction and installation of the underground electric distribution lines as low as possible, consistent with requirements for safe and adequate service, including reasonable provision for load growth. To the extent practicable, electric and communication cables will be installed in the same trench simultaneously at random separation.

16.7.2 Company may require from the non-residing applicant/developer that all sewers, water facilities, drainage facilities and curbs be installed before it commences construction.

16.8 Special Conditions:

16.8.1 In unusual circumstances when the application of these rules appears impracticable or unjust to either party or discriminatory to other customers, Company or applicant may refer the matter to the Public Service Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction. This petition shall be granted or denied based on economic, engineering or environmental factors.

16.8.2 If the Company or the applicant believes that the new construction of underground distribution and service lines within a residential subdivision would be less environmentally desirable than the installation of overhead facilities, either may request that the Secretary of the Commission grant an exception. Three copies of the request shall be sent by certified mailed to the Secretary.

16.8.2.1 The request shall, as between overhead and underground construction, compare the probable environmental effects associated with the residential subdivision and any economic, engineering, or other factors considered pertinent to the case by the Company or applicant to be served.

16.8.2.2 The request shall for those instances where visual values would be diminished by underground construction, indicate factors bearing on probable retention of significant flora, including the Company's practice with respect to trimming trees in the vicinity of overhead facilities.

16.8.2.3 The request shall be mailed to the Adirondack Park Agency, whenever the request will involve construction within the Adirondack Park.

16.8.2.4 The request shall be reviewed by Commission Staff and will notify the Company within 60 days of receipt of the request either that the request is granted or that it objects to the request. If Commission Staff objects, the request shall be referred to the Commission for further review.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.8.3 Where a one-pole extension, including but not limited to road crossing pole extensions, would enable an existing overhead distribution line to be connected to a proposed underground distribution in a residential subdivision, such extension may be installed overhead, rather than underground.

16.9 Visually Significant Resources (VSR):

16.9.1 The requirement to evaluate new distribution and service lines in VSRs, as defined in Rule 1.19.11, in accordance with 16NYCRR Part 99 to determine whether underground or overhead construction is appropriate provided the Company has not expended more than its maximum obligation set forth in 16NYCRR Part 99.2, applies to new construction on public and private land in VSRs, where a qualified agency:

16.9.1.1 has no statutory authority to require the underground construction of a particular distribution or service line; and

16.9.1.2 has supplied to the Company and to the Commission, and the Commission has accepted and approved a map(s) of the particular VSR, at a scale appropriate to such VSR, showing its boundaries in sufficient detail to permit the Company to comply with the requirements of this Rule, and should be accompanied by a textual description where clarification of the VSR boundaries is desirable.

16.9.2 If it is determined after the report and assessment required by 16NYCRR Part 99.2(b) and (j) that an electric extension will be installed underground because it is located in a VSR, the Company will be responsible for that portion of both the installation costs for underground distribution and the reasonable, actual installation cost for underground service line which exceeds the amount the applicant would have been required to pay for comparable overhead facilities.

16.9.2.1 Where any telephone company has been permitted to install a distribution or feeder facility necessary to furnish permanent telephone service overhead in a particular VSR, the Company may install a distribution or service line necessary to furnish permanent electric service overhead using the poles which were used for the telephone facility.

16.9.3 VSR(s) located in the Company's Franchise Area are set forth on the "Statement of Visually Significant Resource Areas in the Company's Franchise Area" (statement) filed with the Public Service Commission apart from this Rate schedule. Such statement shall be filed with the Public Service Commission whenever changes are warranted pursuant to 16NYCRR Part 99.

GENERAL INFORMATION

16. UNDERGROUND DISTRIBUTION: (Continued)

16.9.4 The Company will provide a written report to the agency which designated or administers the VSR, any agency having jurisdiction over affected public land and the Commission, of its intention to install, or provide for the installation of, the necessary facilities underground or overhead, at least 60 days before construction is planned to commence.

16.9.4.1 The Company may provide the written report described therein within 30 days after the commencement of construction if the necessary distribution or service line is installed overhead on a temporary basis, pending the review of the Company's report.

16.9.4.2 The Company may install permanent overhead facilities if the Company, before installation:

16.9.4.2.1 determines that the situation is an emergency; and

16.9.4.2.2 obtains the written approval of the appropriate agency (ies); and

16.9.4.2.3 upon written request, obtains the written approval of the Secretary of the Commission.

16.9.4.3 If undergrounding is otherwise required in a VSR, and the per-foot cost of installing the necessary facilities will be greater than two times the Company's annual cost per foot, the Company or the applicant may petition the Secretary of the Commission to allow overhead installation.

16.9.5 If an agency intends to supply a map or maps of a VSR(s) to the Company and the Commission, such agency shall consult with the Company and the Commission's Staff as to the appropriate scale(s) and other details of such map(s).

16.9.6 This Rule shall remain in full force and effect for a period of five years ending November 21, 1998.

16.10 The length of time in which the Company can respond to a request for electric service and install such service for qualified applicants may be affected by project reporting procedures and conditions governing construction practices of undergrounding facilities as set forth in Part 101 of the Public Service Commission's regulations, 16NYCRR Parts 99, 100 and 101.

GENERAL INFORMATION

17. UNDERGROUND EXTENSIONS TO OFFICE BUILDING AND OTHER NON-RESIDENTIAL DEVELOPMENTS:

17.1 At the time of initial development, underground service will be extended for use of tenants or occupants in each separate building of a non-residential development, such as an office building, shopping center or industrial park on the following terms and conditions:

17.1.1 The applicant shall make a payment to the Company in accordance with Rule 16.4.1.3. Applicant shall receive an equivalent credit to this payment for up to 500 feet of single phase or 300 feet of three-phase overhead line extension cost.

17.1.2 If such overhead extension cost exceeds the underground extension cost, applicant shall receive up to 100 feet of underground line extension allotment.

18. SUBMARINE CABLE EXTENSIONS:

18.1 Upon written application, the Company will furnish, construct, operate and maintain submarine cable to an applicant(s) provided the applicant(s) shall agree to pay to the Company, (1) the rates charged under the applicable Service Classification, and (2) the actual reasonable cost of said extension that is in excess of 100 feet per applicant. Residing applicant(s) may opt to pay a surcharge in lieu of a lump sum payment as defined in Rule 15.3.

GENERAL INFORMATION

19. NETWORK AREA SERVICE:

19.1 Electric service in network areas will normally be from a 120/208 volt, 4 wire system.

19.1.1 Service laterals shall be installed as provided in Rule 21.6.

19.1.2 Customer shall submit drawing of service entrance equipment for Company approval prior to construction.

19.1.3 Where Company's service cables exceeds four sets in number, customer's service equipment shall include a service bus on the supply side to which customer will connect his service equipment and to which customer will fasten the Company's service cables.

19.1.4 For large loads in network areas Company may require customer to install vaults or enclosures as specified in Rule 23.

20. NON-NETWORK VOLTAGE IN A NETWORK AREA:

20.1 Non-network, three phase, four wire, 60 cycle, 277/480Y volt service may be supplied by Company upon application from one customer or a group of customers in one building within the area served by Company's 60 cycle networks, subject to the arrangement of supply facilities specified by Company, and provided that:

20.1.1 Such Customer or group of Customers shall take such service on an annual basis and with an aggregate minimum monthly billing demand of not less than 500 kilowatts.

20.1.2 Three phase, four wire, 60 cycle, 277/480Y volt service shall not be combined with service of other characteristics for billing purposes.

20.1.3 Where three phase, four wire, 60 cycle, 277/480Y volt service is supplied to a new building, Company will not thereafter furnish service of other characteristics.

20.1.4 Where three phase, four wire, 60 cycle, 277/480Y volt service is supplied to an existing building, Company will not thereafter increase the capacity of connections used to furnish service of other characteristics.

20.2 Customer shall install the vaults to house Company's transformers and equipment at a location mutually agreed upon and as specified in Rule 23. Sufficient space shall be provided to accommodate additional or larger transformers for future load growth.

20.3 Customer's installation and service equipment shall comply with the applicable provisions of Rule 19.

GENERAL INFORMATION

21. SERVICE LATERALS - BELOW 15,000 VOLTS:

21.1 The Company normally will run only one service lateral to applicant's premises for each type of service. Service laterals will not be run from building to building.

21.2 Applicant shall furnish or obtain all right-of-way agreements required by Company between Company's line and the point of attachment at applicant's meter pole, underground terminal box or building, per Rules 15.3.2 through 15.3.5, inclusive.

21.3 Overhead from Overhead Distribution Lines:

21.3.1 Company will construct, own and maintain all overhead service laterals. No charge will be made to applicant unless the service lateral exceeds 100 feet in length and requires intermediate support. When intermediate support is required, the applicant will be charged for the excess over 100 feet pursuant to Rule 15.2 and Rules 15.3.3 through 15.3.5.5, inclusive, reconciled to the installed span footage whenever the installed span footage varies from the footage provided in the initial design by more than 10 feet and actual number of pole sets. The service lateral will be measured along the route of the lateral from the property line where Company's line is constructed in the highway or from Company's line where it is constructed on private property, to the applicant's point of attachment.

21.3.2 On farms or other premises where several buildings under one ownership will be supplied through one meter it may be desirable wiring economy to install the meter on a pole and to distribute to the several buildings directly from this meter pole. In such cases the meter pole and any necessary guys shall be furnished, installed, owned and maintained by Customer. Company shall be consulted in each case for its requirements concerning the pole and associated guys.

GENERAL INFORMATION

21. SERVICE LATERALS - BELOW 15,000 VOLTS: (Continued)

21.3.3 Customer shall furnish, install, own and maintain all service entrance conductors in accordance with Company requirements. All connections, permanent or temporary, between overhead service lateral and these entrance conductors will be made by Company. Company will not permit this connection to be made by others.

21.3.4 When the service lateral (2400 to 15000 volts) terminates in a building or vault, the section between the last pole and the building or vault shall be cable. See Rule 21.4.6.

21.4 Underground from Overhead Distribution Lines:

21.4.1 An underground service lateral should be considered by Customer where the wall height will not permit the mounting of a service bracket at a height above final grade sufficient to maintain minimum ground clearance for an overhead service lateral.

21.4.2 The Company will designate the pole from which service lateral will be taken. Plans of the installation shall be submitted to the Company for approval before construction is started.

21.4.3 Customer desiring an underground service lateral connection (below 600 volts secondary) from an overhead line shall install, own and maintain, in accordance with Company's requirements, at his expense, the entire service connection from the point of origin on Company's pole to the point of termination at the meter or service equipment location. These laterals remain the property of Customer and must be maintained and replaced by Customer.

GENERAL INFORMATION

21. SERVICE LATERALS - BELOW 15,000 VOLTS: (Continued)

21.4.4. If a Customer desires an underground service lateral and Company's line is on the opposite side of the highway, Company will furnish and install a pole and guy on Customer's side of the highway (preferably on Customer's premises). The installed cost of this pole and guy will be borne by Customer pursuant to Rule 15.2 unless a pole would have been required for highway clearance to support an overhead service lateral to this Customer. Company will, at no expense to Customer, run an overhead line to this pole and will own and maintain the pole and guy.

21.4.5 As an alternative to the pole being installed on the same side of the highway as Customer's premises, Customer may install underground conduit under the highway to Company's pole. Where local authorities will not permit Customer to install this conduit, Company will secure the necessary permit and will install the conduit within the limits of the highway at Customer's expense

21.4.6 If the service lateral is 2400 volts to 15000 volts, inclusive, Customer shall install, own and maintain at his expense and in accordance with the Company's specifications the entire conduit system where required by Company from its point of origin on Company's pole to his service equipment. Company will specify the type and size of the service cable. Company will furnish, install, own and provide maintenance of the cable. The cost of the cable and its installation shall be borne by Customer pursuant to Rule 16.4.1.3.

21.4.7 In the event that pursuant to the order of any governmental body or regulatory agency having jurisdiction in the matter Company is required to relocate its overhead facilities, or change its overhead facilities to underground facilities, Company shall give not less than ten days' written notice to the Customer whereupon it shall be Customer's responsibility, at his expense, to relocate his service lateral to a new location designated by Company, unless otherwise provided for in Rule 32.2.5.2.

21.4.8 The applicant/customer shall excavate and backfill the trench necessary for the underground service lateral in accordance with the Company's standards and practices. The Company shall not be responsible for any delays caused by the applicant/customer's failure to trench in accordance with the Company's standards and practices.

GENERAL INFORMATION

21. SERVICE LATERALS - BELOW 15,000 VOLTS: (Continued)

21.5 Underground from Underground Lines, Non-Network Area, below 600 Volt Secondary:

21.5.1 Customer served from an underground distribution system, non-network area, below 600 volts secondary, shall install and maintain, at his expense, the entire service lateral connection from the point of attachment to Company's distribution system to the point of termination at the meter or service equipment location. These laterals remain the property of Customer and must be maintained and replaced by Customer.

21.5.2 The applicant/customer shall excavate and backfill the trench necessary for the underground service lateral in accordance with Rule 21.4.8.

21.6 Underground from Underground Lines, Network Areas and 2400 Volts to 15000 Volts Service Lateral:

21.6.1 Where the service lateral is underground from a 2400 volts to 15000 volts underground line or below 600 volts in network areas, Company will furnish, install, own and maintain, at its expense, the conduit as required, from the underground distribution system to a point just inside the curb or building wall of the Customer's building, if this wall is within the limits of or adjoins the boundary line of the street or highway in which the Company's underground line is located.

21.6.2 The Customer shall furnish, install, own and maintain in accordance with the Company's specifications and subject to the Company's inspection, all conduit on his premises and on any other premises which must be crossed to reach the boundary line of the highway in which the Company's underground distribution line is located.

21.6.3 The Company will furnish, install, own and maintain the underground cable between its underground distribution system and the end of the service lateral. The cable installation by Company normally will terminate at the service equipment in the Customer's premises. The cost for that portion of the cable and its installation on private property shall be borne by the Customer.

GENERAL INFORMATION

21. SERVICE LATERALS - BELOW 15,000 VOLTS: (Continued)

21.7 If the service lateral is relocated on an order from a public authority, Customer shall pay for that portion of the work in private property. If the service is relocated at Customer's request, Customer shall pay the entire cost of this work both in the highway and in private property.

22. SERVICE LATERALS ABOVE 15,000 VOLTS:

22.1 Customer shall consult with the Company in every case where the service lateral will be above 15,000 volts in order that all details concerning the design and installation of the service lateral may be worked out to the mutual satisfaction of both Customer and Company.

23. TRANSFORMER VAULTS AND SUBSTATIONS:

23.1 As a condition of supplying service, Company may require installation of its transformers and other line equipment on Customer's property. Customer shall provide suitable space, vaults, foundations or pads, ducts and enclosures as required by the Company. Customer shall provide satisfactory access to the space, enclosures, or vaults for the Company to install, or remove, operate and maintain its equipment.

GENERAL INFORMATION

23. TRANSFORMER VAULTS AND SUBSTATIONS: (Continued)

23.2 Where Company's transformers and equipment will be installed outdoors, Company will specify space requirements, transformer pads or foundations, grading, ducts and enclosures. Customer shall furnish detailed plans for approval by the Company prior to construction and shall construct, own and maintain transformer pads, foundations, ducts, site and enclosures.

23.3 Where the Company's transformers and equipment will be installed in a vault or in enclosure in or adjacent to a building, above, below or at grade, Company will specify requirements for the vault and ducts or enclosure. Customer shall furnish detailed plans for approval by Company and shall construct, own and maintain the vault or enclosure and ducts.

23.3.1 The vault shall comply with all provisions for transformer vaults stated in the latest edition of the National Electric Code and all applicable local ordinances and building codes.

23.3.2 Neither service equipment nor metering shall be located in the transformer vault.

23.3.3 Where the Company's equipment is to be located above or below grade, Customer shall provide at his expense a mutually agreed upon means for the installation, removal or replacement of Company's equipment either by elevator, permanent outdoor hoist or mobile crane.

24. SERVICE ENTRANCE AND BUILDING WIRING:

24.1 Customer shall provide the service entrance, in accordance with Company requirements, and all wiring on Customer's premises, beyond the point of delivery. The location of the service entrance and metering equipment shall be designated by Company. (Service will not be connected until Customer's wiring has been approved). Company will accept approval of Customer's wiring by company approved electrical inspection agencies that are also acceptable to the local authority exercising jurisdiction, if any.

24.2 The Company may refuse to connect service or may disconnect an existing service when in the Company's judgment or when Company has received notice that the customer's installation is not in a safe and proper operating condition. Also, when the installation does not conform with Niagara Mohawk's Specifications For Electrical Installations or the customer's equipment or use thereof impairs the Company's equipment or service to other customers.

24.3 Where Company is to supply service to individual tenants within a building, customer shall install and maintain feeders to connect each such tenant and Company will install and maintain meters on these feeders. Transformation required for other utilization voltages within the building shall be provided on the load side of the meter by the customer. All other metering shall be at the voltage of delivery of service to the building.

GENERAL INFORMATION

25. METER:

25.1 BILLING METERS AND BILLING METER SERVICES

25.1.1 Except as otherwise provided in Rules 25.1.1 and 25.1.1.1, the Company, will supply, at its cost, those billing meters that are required by the Company for the billing of Electric Supply Service and/or transmission, distribution and delivery service it provides to customers, ESCos, and Direct Customers; and (ii) provide all associated installation, maintenance, testing and removal services. The Company will retain control of such billing meters and may remove them at any time. Customer shall be responsible for the protection of Company-provided meters and other Company property located on the premises and shall exercise reasonable care to prevent theft of, damage to, or interference with such equipment.

25.1.1.1 Consistent with the PSC Orders Providing for Competitive Metering in Case Nos. 94-E-0952 and 00-E-0165 and Addendum - MET - New York Practices and Procedures for the Provision of Electric Metering in a Competitive Environment, eligible customers who have demands of 50 kW or greater for two (2) consecutive months during the most recent twelve consecutive months, may arrange for competitively-provided, PSC-approved billing meters and associated services. Each month, a customer who has a competitively-provided, PSC approved meter will receive from the Company a meter ownership credit as set forth in Addendum -MET. Eligible customers are those who are served under Service Classifications ("SC") - 2 Demand, 3, 3-A, and 4, or who are served under SC-11 or SC-12 and would otherwise be eligible for service under the aforementioned Service Classifications.

Customers who are eligible to receive a Metering Backout Credit and who are also eligible to receive the Customer Service Backout Credit as defined in P.S.C. No. 220 Electricity Rule No. 42, can receive both credits concurrently.

25.1.1.1.1 A customer who purchases an existing meter will be charged the undepreciated book cost plus applicable taxes.

25.1.1.1.2 A customer who purchases a new meter will be charged the removal cost of the old meter and equipment. In addition to the cost of removal, a customer who purchases a new meter from the Company will be charged the cost of the meter.

GENERAL INFORMATION

25. METER: (Continued)

25.1 Company-Required Billing Meters (Continued)

25.1.1.1.3 The Company will remove a Customer-owned meter if the condition of the meter or meter-related equipment or facilities presents a hazard, if the meter is damaged, if the Company discovers a theft-of-service condition, or if required periodic or Customer-requested meter testing cannot be conducted on site with the meter in place.

25.1.1.1.3.1 Unless the meter removal is based on immediate safety concerns, the Company will use its best efforts to substitute a meter of the same type and functionality while the Customer's meter is removed.

25.1.1.1.3.2 If the Company removes the Customer's meter, and unless the meter is held as evidence in a theft-of-service investigation, the meter will be reinstalled if practicable or turned over to the Customer for further disposition.

25.1.1.1.3.3 The Customer will be charged \$150.00 in each monthly billing cycle until the Customer purchases a replacement meter or a Company-owned meter is installed.

25.1.1.1.4 Customers permanently owning their own meters, or their designees, will be allowed, where technically feasible, to receive data directly from the meters on a real-time or other basis, without incurring a fee from the Company, provided that such Customers install and maintain, at their own expense, the necessary ancillary equipment required to provide such data.

GENERAL INFORMATION

25. METER: (Continued)

25.1 Company-Required Billing Meters (Continued)

25.1.1.1.4.1 Such data access may require the installation by the Company of an additional device that will allow multiple data access, with the cost responsibility of such device and installation to be borne by the Customer.

25.1.2 Except as otherwise provided in this Tariff, the Company, at its cost, will have sole responsibility for the installation, maintenance, testing (including work performed to comply with 16 N.Y.C.R.R. Part 92, "Meter Testing and Reporting"), and removal of all meters required by the Company for its billing purposes, whether such meters are supplied and owned by the Company or by the Customer.

25.1.2.1 The Customer will be responsible for all Company costs to install, operate, and maintain any Customer-owned meter, including work performed to comply with 16 N.Y.C.R.R. Part 92, "Meter Testing and Reporting".

25.1.3 The Company will have sole control of all meters required by the Company for its billing purposes, whether such meters are owned by the Company or by the Customer.

25.1.4 All service to a Customer at a single location shall be rendered through a single meter, subject to the following provisions:

25.1.4.1 When Customer makes written request upon the prescribed form, Company will install as many meters as Customer shall desire, provided that the circuit or circuits connected on the load side of each meter are kept separate from all other circuits, in which event the service rendered through each meter shall be determined separately and billed separately in accordance with the provisions of the applicable Service Classification.

GENERAL INFORMATION

25. METER: (Continued)

25.1 Company-Required Billing Meters (Continued)

25.1.4.2 Service to residential buildings will be in accordance with Rule 3.4.

25.1.4.3 The reading of two or more meters measuring the service at a single location may be combined and Customer billed for such total use, computed as if all service had been rendered through a single meter, under the following conditions and circumstances:

25.1.4.3.1 When the characteristics of service to Customer were such that at the time the service connections were installed there was no single meter commercially available to correctly measure such service and multiple meters have been continued in use.

25.1.4.3.2 When two or more service connections are necessary to provide service at the least expense to Company.

25.1.4.3.3 When service of different characteristics is supplied and there is no meter commercially available to correctly measure such combined service, provided that when service is rendered at more than one frequency such combination will be permitted only when such service is taken at primary voltage under service classifications specifically providing for such combination.

25.1.4.4 When Company elects to install two or more service connections in order to supply service at the least expense to Company, the quantities derived from all necessary meters may be combined for billing purposes. The maximum demand shall be the maximum sum of the coincident demands on all feeders, determined on each feeder by a single meter and totalized by an approved method. The RkVA demands shall be similarly determined and totalized and the billing determinants shall be the sum of the billing determinants recorded by the separate meters.

25.1.5 Customers participating in Programs 3 (Economic Development Power) and 4 (Power for Jobs) under Rule 34, or receiving service under SC-4, may be subject to additional metering provisions, as set forth in Rule 34 and SC-4.

GENERAL INFORMATION

25. METER: (Continued)

25.2 Customer-Requested Enhanced Metering

25.2.1 All eligible customers, as defined in Rule No. 25.1.1.1, regardless of whether their commodity service is provided by the Company or an ESCo, may request the Company to install pulse output initiators and power quality monitoring equipment at the point of delivery. Such customers may also request the Company to install PSC-approved hourly interval recorders that are not required by the Company for its billing purposes. Such pulse output initiators, power quality monitoring equipment, and hourly interval recorders are hereinafter referred to as "enhanced metering". The available meter types and enhancements will be set forth in a schedule provided by the Company.

25.2.1.1 All enhanced metering must be compatible with the Company's metering infrastructure and must provide Company-required billing determinants.

25.2.1.2 All Customer-requested hourly interval recorders will be required to have remote reading capability compatible with the Company's infrastructure.

25.2.2 Except as otherwise provided in this Tariff, the Company, will supply and own any such Customer-requested enhanced metering.

25.2.2.1 The cost of such metering and related hardware, such as interval pulse recorders, modems, isolation relays, and software programming support, will be included in prices set forth in a schedule provided by the Company.

25.2.2.2 A Customer will be charged NMPC's costs to remove any existing NMPC-owned equipment.

25.2.2.3 The Customer's selected enhanced metering may require the installation by the Company, where technically feasible, of an additional device that will allow multiple data access, with the cost responsibility of such device and installation to be borne by the Customer.

GENERAL INFORMATION

25. METER: (Continued)

25.2 Customer-Requested Enhanced Metering (Continued)

25.2.2.4 The Company will have all rights with Customer-owned enhanced metering as with Customer-owned billing metering, as described in Rule 25.1.1.

25.2.3 Except as otherwise provided in this Tariff, the Company will have sole responsibility for the installation, maintenance, testing, and removal of all Customer-requested enhanced meters, whether owned by the Company or by the Customer.

25.2.3.1 As provided in Rule 28.4.7, the Customer will be responsible for all costs incurred by the Company in the installation, operation and maintenance of any Customer-owned metering.

25.2.4 The Company will have sole control of all Customer-requested enhanced metering, whether owned by the Company or by the Customer.

25.3 Metering Installation

25.3.1 NMPC-required billing meters may be installed on Customer's side of the point of delivery.

25.3.2 If required, Company may make minor alterations to the meter cabinets and equipment enclosures, whether Customer or Company owned, in order to install locks or other devices necessary to protect the integrity of the metering equipment.

25.3.3 Customer shall provide sufficient and readily accessible space at a location on Customer's premises in accordance with Company's standards and practices for the installation of metering equipment. Customer shall provide mounting facilities as required by Company for metering equipment, whether Company or Customer owned.

25.3.4 Company may require Customer to install his service wiring so that the meter is accessible to Company employees from the outside of Customer's building.

25.3.4.1 Meters installed in new residential dwelling units constructed after July 15, 1976, shall be installed outdoors in an accessible location whenever feasible.

GENERAL INFORMATION

25. METER: (Continued)

25.3 Metering Installation (Continued)

25.3.4.2 The meter may be located indoors, provided that the cost of the installation and equipment associated with a remote meter reading device shall be borne by the Customer, as set forth in Rule 25.5.

25.3.5 The Company will seal all meter installations. Metering equipment, including meter cabinets and equipment enclosures, whether Customer or Company owned, may be locked or sealed when service is shut off and at such other times when necessary to protect the integrity of the metering equipment. No person, except a person duly authorized by the Company, shall be permitted to break or replace a seal or lock, or to alter or change a meter or its connections or location.

25.3.6 If at any time after the installation of metering equipment, conditions are changed so that their location becomes unsuitable Company shall have the right to move such equipment to a suitable new location at the expense of the Customer. The cost of relocating metering equipment at the request of Customer shall be borne by the Customer.

25.4 Metering Voltage

Metering for the Customer will normally be at the voltage of supply designated by Company. Company may at its option meter service at a voltage either higher or lower than the voltage of delivery, in which case the appropriate following adjustment shall be made:

25.4.1 When service is delivered at a secondary voltage and is metered at a higher voltage, metered energy will be decreased by three percent.

25.4.2 Except as otherwise designated in a particular service classification, when service is delivered at any designated voltage and is metered at a lower voltage, metered demands and energy will be adjusted for billing as follows:

25.4.2.1 When a transformer or bank of transformers is rated at 1000 kVA or more and is provided for service to a single Customer:

25.4.2.1.1 Metered demands will be multiplied by a factor based on transformer efficiency at 80% kVA load.

GENERAL INFORMATION

25. METER: (Continued)

25.4 Metering Voltage (Continued)

25.4.2.1.2 Metered energy will be multiplied by a factor based on load losses of transformers at 80% kVA load to which will be added the constant no-load transformer losses at normal voltage.

25.4.2.1.3 No-load transformer losses are determined for 730 hours per month.

25.4.2.1.4 The multiplying factors and no-load losses will be derived from data published by the transformer manufacturer, when available, or by General Electric Company for transformers of similar voltage, type, and size.

25.4.2.2 In all other cases metered energy will be increased by three percent.

25.5 Meter Reading

25.5.1 The Company will be responsible for reading the meters of all Customers on their normally scheduled meter reading cycle, which may be monthly or bi-monthly.

25.5.2 If the Company or the Customer requires the Company to have remote access to the meter, the Customer shall provide access to a direct dial, voice-grade telephone line, subject to Company approval, that will be maintained by the Customer at the Customer's expense, except as otherwise provided in this Tariff.

25.5.2.1 The Customer will be solely responsible for providing, at its cost, any required telephonic communication equipment, whether a land line or a cellular telephone (where technically feasible). Where Company vendor agreements permit, cellular telephones may be procured through the Company at a cost mutually agreed to by the Company and the Customer.

25.5.2.2 The Customer will bear all costs associated with the installation, operation and maintenance of the telephone line including, but not limited to, all telephone bills. The Customer may assume responsibility for a telephone connection previously installed by the Company for this purpose or may, if the Customer plans to use a different telephone line, request the Company to remove its telephone line connection.

GENERAL INFORMATION

25. METER: (Continued)

25.5 Meter Reading (Continued)

25.5.2.3 If the Customer's phone line is not operational for any reason when the Company attempts to read the meter, the Customer will be assessed \$50.00 on each monthly cycle until the condition is corrected. This provision will not apply to cellular telephones procured through the Company.

25.5.2.4 The Customer will be required to pay an additional cost to upgrade a Company-owned meter, in accordance with a schedule provided by the Company.

25.5.3 The Company will require access to any meter, pursuant to Rule 13 and the transportation Corporations Law, in order to verify the accuracy of remote meter reading devices, dial card readings or telephone readings, at least once in every twelve month period. If the Customer refuses this access, the Company may invoke the provisions as outlined in Rule 26.2.5.

26. BILLING, METER READING, AND COLLECTIONS:

26.1 Rates and charges specified in the various Service Classifications are stated on a monthly basis. A month as defined in the respective service classifications is any period consisting of not less than twenty-five (25) days nor more than thirty-five (35) consecutive days. The Company will ordinarily schedule meters to be read monthly (approximately thirty (30) days) or bimonthly (approximately sixty) and bills to be rendered monthly. Company reserves the right to read meters and render bills at any other interval of time. Where meters are scheduled to be read bimonthly, the Company will render interim, estimated bills in the bimonthly periods. In place of intervening month estimated bills, the meter may be read by the customer and reported to the Company for that purpose at the customer's request. In the event a bill is for a period longer than 35 days or shorter than 25 days, the bill will be prorated on the basis of a thirty-day billing period. However when a Customer discontinues service before the expiration of one (1) month, no proration will be made.

26.2 Estimated Bills - Residential

Should any meter or measuring device used under an agreement for service for any reason fail to register for any period of time the full usage of service by a Customer, or if the actual usage of service cannot be obtained because of inability of Company to read a meter or measuring device on the scheduled read date, the usage of service by such Customer may be estimated by Company on the basis of available data and the Customer billed accordingly.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.2.1 Estimated bills may be routinely sent to the customer for a period of four months.

26.2.2 If no actual reading is obtained after the aforementioned period, the Company shall take reasonable actions to obtain an actual meter reading. Such actions may include but are not limited to:

26.2.2.1 Making an appointment with the customer and/or such other person who controls access to the meter for the reading at a time to include times other than during normal business hours; or

26.2.2.2 Offering the customer and/or such other person who controls access to the meter the opportunity to phone in meter readings; or

26.2.2.3 Providing cards to the customer and/or such other person who controls access to the meter on which he or she may record the reading and mail it to the Company.

26.2.3 If no actual reading is obtained after bills representing six months have been rendered, the Company shall send a notice to the customer or to the person who controls access to the meter, offering a special appointment for a meter reading both during and outside of business hours.

26.2.3.1 Where the customer resides in a multiple dwelling (as defined in the Multiple Dwelling Law or the Multiple Residence Law), or in a two family dwelling that is known by the Company to contain residential units where service is provided through a single meter or meters, and the meter is not in the apartment, the notice shall be sent to the customer and such other person who controls access to the meter.

26.2.3.2 If the Company's records do not contain the address of the person who controls access to the meter, the Company shall request that the customer furnish such information if available to him.

26.2.4 If the Company receives no response after bills representing eight months, the Company shall send notice advising the customer and/or such other person who controls access to the meter that if no appointment is made a charge of twenty five (\$25) will be added to the next bill rendered to the person who controls and refuses to provide access to the meter.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.2.5. If the person who controls access fails to arrange an appointment in response to a second request and the Company is unable to obtain an actual meter reading, the Company will add a charge of twenty-five dollars (\$25) to the next bill of the recipient of the notice (Rule 26.2.4). If the Company intends to obtain a court order to gain access to the meter, it shall inform the recipient of the notice by certified or registered letter. The letter shall inform the recipient that the purpose of obtaining such a court order is to replace a meter, or, if physically feasible, to relocate the meter or install a remote reading device. The letter shall state that the court costs and the costs of the meter relocation or the costs of the installation of remote metering devices will be paid by the person who controls access to the meter.

26.2.6 Rules 26.2.1 through 26.2.5 shall not apply to seasonal customers or short term customers taking service for 30 days or less. For such seasonal and/or short term customers, an actual meter reading shall be taken upon termination of service.

26.2.7 Where the Company has submitted an estimated bill or bills to a residential customer and such estimate understates the actual amount of money owed by such customer for the period when estimated bills were rendered by more than 50 percent or one hundred dollars (\$100), whichever is greater, the Company shall notify the customer in writing that he or she has the right to pay the difference between the estimated charges and the actual charges in regular monthly installments over a reasonable period that shall not be less than three months.

26.2.8 The Company shall explain billing corrections to the customer and furnish the customer with the reasons for any billing cancellation and subsequent rebillings caused by estimated readings.

26.3 Bills will be rendered monthly and may be delivered by depositing the same in a U.S. Post Office or in a box or chute provided for that purpose by the U.S. Post Office Department addressed to customer at the premises where service is taken, or at another address designated by customer, by leaving same at the building where service is taken, or when posted electronically.

26.3.1 The date bills are rendered is the date bills are personally served, three calendar days after the mailing of the bill, or the date posted, if provided electronically.

26.3.2 Customers receiving bills produced and issued by the Company's Customer Service System (CSS) may elect to receive and pay their bill electronically under the Company's Online Bill-Pay Program. Under the Online Bill-Pay Program, a bill shall be deemed rendered in accordance with Rule 26.3.1.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.4 Bills are due when rendered, in accordance with Rule 26.3.1. A customer is in default unless payment is made at or is mailed to a designated office or bill paying agency of the Company on or before the date specified on the bill. Payment under the Online Bill-Pay Program shall be considered paid on the date the customer submits payment online unless the payment is made on a weekend or holiday or after 3:00 p.m. in which case the payment will be considered paid on the next business day. The date specified on the bill shall be at least twenty (20) calendar days subsequent to the date the bill is rendered. If payment is not made on or before the date specified on the bill, a late payment charge at the rate of one and one-half percent (1 1/2%) per monthly billing period will be applied to all amounts previously billed under this tariff, except for state agencies, including arrears and unpaid late payment charges applied to previous bills. Payment must be made without regard to any counterclaims relating to matters other than for service rendered and failure to receive a bill does not relieve responsibility for payments of amount due.

26.4.1 Service to state agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

26.4.2 The continuing late payment charge shall not be imposed on any bill that is the subject of a pending complaint before the Company or the Public Service Commission, provided, however, that a late payment charge may be imposed on the balance due where the final resolution of the complaint directs payment of the entire disputed amounts to the Company, and provided further that no such charges may be imposed for more than two months after the pendency of the complaint unless authorized by the Commission or its designees.

26.4.2.1 Late payment charges will be charged when the amount billed for non-residential service used that was previously unbilled because the service was being provided through tampered equipment and the utility can demonstrate either that the condition began since the customer initiated service or that the customer actually knew or reasonably should have known the original billing was incorrect.

26.4.2.2 In the case of residential service, the Company may not impose a continuing late payment charge on an unpaid balance that has been restructured under a deferred payment agreement, if the regularly scheduled bill (current charges plus agreed upon installment amount) is paid within twenty (20) days of when the bill is rendered. The Company may, however, impose a late payment charge on monies still owing more than twenty (20) days after the Company has rendered a bill for payment of both the agreed upon installment amount and any applicable current charges.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.4.3 Other charges. Except as provided in Rule 26.4, a late payment charge, penalty, fee, interest or other charge of any kind shall not be imposed on any residential customer for any late payment, collection effort, service termination or deferred payment agreement occasioned by the customer's failure to make timely payment for service. The Company may impose a charge pursuant to this tariff for other lawful purposes.

26.4.4 Except as provided in Rule 26.4, the Company may not impose on a non-residential customer a late payment charge, penalty, fee, interest or other charge of any kind for any late payment or deferred payment agreement occasioned by the customer's failure to make timely payment for services. The Company may impose on non-residential customers a reasonable charge for dishonored checks, reconnection of service, failure to provide access and court costs.

26.4.5 The Company shall offer residential customers on fixed incomes the opportunity to pay their bills on a reasonable schedule that is adjusted for such customer's periodic receipt of income that without incurring late payment charges, provided, however, that any such offer may prescribe a late payment charge, consistent with the standards set forth in Rule 26.4 where payment is not made within twenty (20) days of the adjusted date shown on the bill.

26.4.6 The Company may impose a continuing late payment charge on the balance due under a non-residential, deferred payment agreement, offered pursuant to the Rules and Regulations of Part 13, 16NYCRR. See Rule 26.9 for additional information regarding late payment charges on non-residential deferred payment agreements.

26.4.7 The Company may impose a continuing late payment charge on an amount billed for service used, that was provided through tampered equipment and previously unbilled, if the Company can demonstrate either that the condition began since the customer initiated service or that the customer knew or reasonably should have known that the original billing was incorrect.

26.4.8 The Company may impose a handling charge of \$10.00 on any negotiable instrument from an applicant or customer which was rendered to the company as payment of any bill, charge or deposit due, returned as dishonored or uncollectible for any reason. This charge shall include any amount the Company is required to pay its bank for handling said instrument.

26.5 The customer shall be obligated to pay for all service to premises until final reading of the meter if such reading be taken not later than forty-eight (48) hours after proper notice has been received by Company to discontinue service. In the event that the customer is a tenant in a multiple occupancy building, the customer will be obligated to pay only for service supplied for his use or for service which he has agreed to pay.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.6 Diversion of Service Notice

26.6.1 Pursuant to Commission Order issued and effective October 23, 1991, in Case 91-M-1040, this Diversion of Service Notice is superseded by the Provisions of Rule 30 - Shared Meters.

26.7 Annual and Periodic Notices to Non-Residential Customers:

26.7.1 A Brochure containing a detailed summary of their rights and obligations, and a notice to include: descriptions of commonly used non-residential service classifications and their rates, offer of written guidelines regarding eligibility requirements for the Company's service classifications, notice that the Company's tariff is available for review in every Company business office and notice that some non-residential customers may be eligible for protections under Part 11, 16NYCRR shall be provided annually to every non-residential customer of the Company.

26.7.2 An accounting for the deposit held on an account showing the interest earned during the current year and either the date the deposit was obtained or the length of time that the deposit has been held shall be provided annually to every non-residential customer having a deposit with the Company.

26.7.3 A notice explaining how an increase in the customer's usage might require the Company to install a demand meter and, in some cases, the customer to make electrical modifications, shall be provided annually to every non-residential customer.

26.7.4 A notice explaining how a change in the recorded demand may cause the service classification on which the charges are based to be changed shall be provided annually to every electric customer with a demand meter.

26.7.5 A notice advising the customer of any change made in the customer's service classification and the reason for the change shall be provided to the customer at the time of the change.

GENERAL INFORMATION

26. BILLING, METER READING, and COLLECTIONS: (Continued)

26.7.6 A notice advising a customer whether the Company records show that the customer, or some other party, has control over access to the meter, that the customer has an obligation to tell the Company who controls access, and that if the Company records that show the customer has access are not corrected, the customer may be subject to further notices and penalties due to the Company's failure to obtain access, shall be provided to every customer at the time a second consecutive estimated bill is rendered.

26.7.7 A notice explaining the Company's right to revise estimated demand charges, that such revision may be to the customer's disadvantage and that a revision of demand charges may be avoided by arranging access, shall be provided to every demand customer at least annually and whenever an estimated demand bill is rendered.

26.8 Contents of Bill - Non-residential Customers

26.8.1 Generally

26.8.1.1 Only service(s) performed, materials furnished or other charges made by the Company, in accordance with the filed tariff, will be included and shall be itemized on the customer bill form.

26.8.1.2 The Company may provide pertinent messages and information on the bill, provided such information does not interfere with the presentation of the information required by this section.

26.8.2 All Bills

Every customer bill will state on the portion retained by the customer:

26.8.2.1 The Company name.

26.8.2.2 The location of the Company's principal office and one or more business offices at which the bill may be paid, and a statement that bills may be paid at other authorized offices.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.8.2.3 The service classification(s) on which the charges are based.

26.8.2.4 The name of the customer, the account or meter number, and the address and location of the premises where the service was supplied.

26.8.2.5 The start and end date of the billing period.

26.8.2.6 The quantity of service billed, the unit of measurement used, an explanation of any calculations or factors used to determine the cost of service, a description and the cost of any other tariff charges, and the total of the current charges.

26.8.2.7 The date payment is due; provided however, that such date does not occur before personal service of the bill or three calendar days after the mailing of the bill. A phrase indicating that a bill is due upon receipt may be used in lieu of a specific date.

26.8.2.8 Whether any charge will be imposed for late payment and the date which payment must be received in order to avoid the imposition of the late payment charge.

26.8.2.9 An explanation of any abbreviation or symbol used that is not in common English usage.

26.8.2.10 A telephone number to call at the Company if the customer has any questions about the bill.

26.8.3 Cycle Bills

Every customer bill issued on a regular cycle basis will contain, in addition to the items required under Rule 26.8.2 of the section:

26.8.3.1 The registered demand for every demand meter, whether or not the customer is presently subject to a demand charge.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.8.3.2 The date of the latest payment received or the date through which any payments have been credited and the debit or credit balance of the prior bill, if any.

26.8.3.3. The amount of any late payment charge applied during the current billing cycle.

26.8.3.4 The next scheduled meter reading date.

26.8.4 Metered Service Bills

In addition to the items required under Rule 26.8.2 of this section, every customer bill for metered service will contain the following for every cumulative energy and demand meter:

26.8.4.1 The meter readings being used to calculate the bill.

26.8.4.2 Whether they are based on an actual reading of the meter, a remote register, a customer provided reading, or are estimated.

26.8.4.3 If estimated, the reason therefore.

26.8.4.4 The meter multiplier or constant

26.8.5 Unmetered Service Bills

Every customer bill for unmetered service, whether the use of such service was authorized or unauthorized by the Company, shall contain, in addition to the items required under Rule 26.8.2 of this section:

26.8.5.1 A clear statement that the bill is for an estimated amount of service utilized but not metered.

26.8.5.2 The per day or other basis used for calculating the amount of service bill.

26.8.6 Budget Bills

In addition to the items required under Rule 26.8.2 of this section, every budget bill will contain the following:

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.8.6.1 The total service charges incurred.

26.8.6.2 The total budget bill rendered from the beginning of the budget year to the period covered by the current bill.

26.8.6.3 The amount of difference between the two.

26.9 Deferred Payment Agreements for Non-Residential Customers

26.9.1 The Company will provide a written notice offering a deferred payment agreement in the following circumstances:

26.9.1.1 Not less than five calendar days before the date of a scheduled termination of service for non-payment of arrears, as indicated on a final termination notice, or eight calendar days if mailed, provided the customer has been a customer for at least six months and the arrears on which the outstanding termination notice is based exceeds two months average billing.

26.9.1.2 When it renders a backbill which exceeds the cost of twice the customer's average monthly usage or \$100, whichever is greater; provided, however, that the Company shall not be required to offer an agreement when the customer knew, or reasonably should have known, that the original billing was incorrect.

26.9.2 If the Company and the customer agree to terms of a deferred payment agreement in a telephone conversation, the Company shall send the customer two fully completed copies of the agreement, signed by the Company, for the customer to sign and return.

26.9.3 Any non-residential customer is eligible for a deferred payment agreement except the following:

26.9.3.1 A customer who owes amounts under a prior deferred payment agreement.

26.9.3.2 A customer who failed to make timely payments under a prior deferred payment agreement in effect during the previous 12 months.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.9.3.3 A customer that is a publicly held company, or a subsidiary thereof.

26.9.3.4 A seasonal, short term or temporary customer.

26.9.3.5 An electric customer who, during the previous 12 months, had a combined average monthly billed demand for all its accounts with the Company in excess of 20 kW, or who has registered any single demand on any account in excess of 40 kW.

26.9.3.6 A customer who the Company can demonstrate has the resources to pay the bill, provided that the Company notifies the customer of its reasons and of the customer's right to contest this determination through the Commission's complaint procedures.

26.9.4 The Commission or its authorized designee may order the Company to offer a deferred payment agreement to a customer whom it finds these rules are intended to protect, when an agreement is necessary for a fair and equitable resolution of an individual complaint.

26.9.5 Every offer of a deferred payment agreement shall inform the customer of the availability of a deferred payment agreement for eligible customers, set forth generally the minimum terms to which such customer may be entitled, explain that more generous terms may be possible and specify the telephone number and the times the customer may call the Company to discuss the possibility of entering into a deferred payment agreement.

26.9.6 Every offer of a deferred payment agreement shall state the date by which the customer must contact the Company in order to avoid termination of service. Additionally, the offer must clearly explain that the Company has the right to a larger downpayment, if the deferred payment agreement is not entered into until a field visit to physically terminate service has been made.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.9.7 The Company will not be required to enter into a deferred payment agreement with a customer who has received the Company's offer pursuant to Rule 26.9.1.1, if the customer does not pay the required downpayment. The amount of a downpayment to which the Company is entitled will be determined as follows:

26.9.7.1 Up to 30 percent of the arrears on which an outstanding termination notice is based, or the cost of twice the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into, may be required by the Company if the agreement is entered into prior to a field visit to physically terminate service.

26.9.7.2 Up to 50 percent of the arrears on which an outstanding termination notice is based, or the cost of four times the customer's average monthly usage, whichever is greater, plus the full amount of any charges billed after the issuance of the termination notice which are in arrears at the time the agreement is entered into, may be required by the Company if the agreement is entered into either at the time of, or after, a field visit to physically terminate service.

26.9.7.3 Any amount, lesser or greater, that is mutually agreeable to both Company and customer.

26.9.8 A deferred payment agreement will obligate the customer to the following:

26.9.8.1 Make timely payment of all current charges.

26.9.8.2 Make the required downpayment pursuant to Rule 26.9.7.

26.9.8.3 To pay the balance in monthly installments of up to the cost of the customer's average monthly usage or one-sixth of the balance, whichever is greater.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.9.8.4 To pay late payment charges during the period of time the agreement covers, if so stipulated pursuant to Rule 26.9.10.3.

26.9.8.5 To pay a security deposit in three installments, 50 percent down and two monthly payments which total the remaining 50 percent of the deposit amount, provided that the deposit has been previously requested.

26.9.9 A deferred payment agreement entered into by the Company and the customer pursuant to Rule 26.9.1.2, will obligate the customer to pay the outstanding charges in monthly installments of up to the cost of one-half of the customer's average monthly usage or one-twenty-fourth of such charges, whichever is greater.

26.9.10 A deferred payment agreement form shall:

26.9.10.1 Set forth in general the terms of the agreement.

26.9.10.2 Indicate the due date for each installment, and the exact dollar amount of each installment, separately itemized to show the arrears payment, and the security deposit payment, as applicable.

26.9.10.3 Indicate whether the agreement is subject to late payment charges, and if so, either set forth the exact dollar amount of the late payment charge to be paid with each installment or, if late payment charges are to be billed on the customer's regular cycle bill, a late payment charge disclosure statement. The disclosure statement shall include the late payment charge rate, on both a monthly and annualized basis, how it is calculated, how and when the late payment charges will be billed, what the total cost of the late payment charges on the agreement will be if the agreement is fully complied with, and a notice that the total late payment charges may be greater or less than the disclosed cost if the customer makes payments either early or late.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.9.10.4 State the date by which the copy signed by the customer, and any applicable downpayment, must be received by the Company in order to become enforceable, provided, however, that such date may not be less than six business days after it is sent.

26.9.10.5 Inform the customer of the Company's policy if the agreement is not signed and returned as required.

26.9.10.6 State that if the customer fails to comply with an agreement, the Company may send an immediate termination notice.

26.9.10.7 State that the customer may obtain the assistance of the Commission to assure that the agreement is in conformance with Rule 26.9.

26.9.11 The first time a customer fails to make timely payment in accordance with a deferred payment agreement, the Company shall give the customer a reasonable opportunity to keep the agreement in force by paying any amounts due under the agreement.

26.9.12 Except as provided in Rule 26.9.11, if a customer fails to comply with the terms of a deferred payment agreement, the Company may demand full payment of the total outstanding charges and send a final termination notice.

26.10 Meter Reading and Estimated Bills - Non-Residential

26.10.1 Meter Reading

26.10.1.1 The Company will make a reading attempt to obtain an actual reading for every customer's account, on a regularly scheduled basis as provided for in the tariff.

26.10.1.2 A reading attempt requires that a meter reader visit the premises between 8:00 a.m. and 5:00 p.m. on a business day, and follow any routine access instructions.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.10.1.3 Non-demand Accounts -- When circumstances beyond the Company's control prevent the Company from making a regularly scheduled reading attempt and the two previous consecutive cycle bills were not based on an actual reading, the Company will make a second similar follow-up reading attempt as soon as possible within seven calendar days after the scheduled reading date.

26.10.1.4 Demand Accounts -- When the Company does not obtain an actual reading from the meter(s) of a demand account at the time of a regularly scheduled or follow-up reading attempt, the Company will make another reading attempt as soon as possible within seven calendar days after the last attempt.

26.10.1.5 Remote Registration Devices -- When the Company has billed a customer's account based on the reading of a remote registration device for six consecutive months, the Company shall, at the time of every subsequent reading attempt, and until successful, try to gain access to read the meter.

26.10.1.6 Customer Readings -- When the Company has billed a customer's account based on customer readings for six consecutive months, and did not obtain an actual reading at the time of the next regularly scheduled or follow-up reading attempt thereafter, the Company will, within seven calendar days of the last attempt, either make another reading attempt or an appointment with the customer to read the meter.

26.10.1.7 Meter Reading Cards -- Unless the customer does not have access to the meter or the customer is unable to obtain a reliable meter reading, the Company will, at the time of any unsuccessful reading attempt, leave at the premises or mail to the customer, a meter reading card for the non-demand meter.

26.10.2 Estimated Bills

26.10.2.1 The Company may render an estimated bill for a regular cycle billing period only when:

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.10.2.1.1 The Company has failed to obtain access to the meter(s).

26.10.2.1.2. Circumstances beyond the control of the Company made obtaining an actual reading of the meter(s) extremely difficult, despite having access to the meter area. Estimated bills for this reason may be rendered no more than twice consecutively without the Company advising the customer in writing of the specific circumstances and the customer's obligation to have the circumstances corrected.

26.10.2.1.3 The Company has good cause for believing that an actual or customer reading obtained is likely to be erroneous. Estimated bills for this reason may be rendered no more than twice consecutively without the Company initiating corrective action before the rendering of the next cycle bill.

26.10.2.1.4 Circumstances beyond the control of the Company prevented the meter reader from making a premises visit.

26.10.2.1.5 An actual meter reading was lost or destroyed. An estimated bill for this reason may be rendered no more than once without the Company initiating corrective action before the rendering of the next cycle bill.

26.10.2.1.6 An estimated reading has been prescribed or authorized by the Commission for a particular billing cycle.

26.10.2.1.7 An estimated reading is the approved billed method in accordance with the Company's tariff for the billing.

27.10.2.1.8 An unmetered condition was in existence during the period.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.10.2.2 Every estimated bill will be calculated in accordance with an established formula or methodology which will take into account the best available relevant factors for determining the customer's energy usage and, if applicable, demand usage.

26.10.3 No Access Procedure

26.10.3.1 The Company will begin providing no access notices as described in this subdivision commencing with:

26.10.3.1.1 Demand -- The second consecutive bill estimated pursuant to either subparagraph 26.10.2.1.1 or 26.10.2.1.2 of this Rule in the case of accounts billed for demand.

26.10.3.1.2 Non-demand -- The fourth consecutive bill estimated pursuant to either subparagraph 26.10.2.1.1 or 26.10.2.1.2 of the Rule in the case of accounts not billed for demand.

26.10.3.1.3 Remote registration device or customer reading -- The tenth consecutive bill estimated pursuant to subparagraph 26.10.2.1.1 or 26.10.2.1.2 of this Rule or based on a remote registration device or a customer reading.

26.10.3.2 The no access notices and charges described in this subdivision shall be directed only to the access controller. In any case where the access controller is not the customer of the subject account, a copy of these no access notices shall also be sent to the customer at the same time.

26.10.3.3 The series of no access notices will be as follows:

26.10.3.3.1 First notice -- The first notice will advise the access controller that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, a no access charge will be added to access controller's next bill and to every bill thereafter until access to the customer's meter is provided, but that no charge will be imposed if an appointment is arranged and kept. The notice will advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified telephone number.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.10.3.3.1 (continued)

Where the access controller is not the customer of the subject account, the notice will begin by stating that the Company records indicate that the recipient is the party who controls access to the meter of the customer, specifically identified as to address, part supplied, and account number, and that the Company has not been provided access to the customer's meter as required.

26.10.3.3.2 Second notice -- The second notice will advise the access controller of the no access charge that has been added to the access controller's bill and that unless access to the customer's meter is provided on the next meter reading date or a special appointment to read the meter is made and kept by the access controller prior to that date, another charge will be added to the access controller's next bill.

The notice will further explain that if the access controller's service can be physically terminated without obtaining access, steps to terminate service will follow, and that in the event that the access controller's service cannot be physically terminated, steps to obtain a court order to gain access to the customer's meter will follow. The notice will advise the access controller that the Company will arrange a special appointment for a reading of the customer's meter if the access controller calls a specified number.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.10.3.3.3 Third and each successive notice -- The third and each successive notice will advise the access controller of the no access charge that has been added to the access controller's bill and, if the access controller's service can be terminated without obtaining access, will be accompanied by a final notice of termination for non-access. In any case where the access controller's service cannot be physically terminated without obtaining access, the notice will advise the access controller that the Company is seeking to obtain a court order to gain access to the customer's meter.

26.10.3.4 A no access charge as provided for in this tariff shall not exceed \$100.

26.10.3.5 No more than \$100 per building or premises shall be added to any single bill of the access controller even though more than one meter may be located there.

26.10.3.6 The Company may, at its discretion, suspend temporarily the issuance of no access notices and/or penalties under this subdivision if the access controller contacts the Company and provides a legitimate reason for postponing the provision of access; provided, however, that such suspension may not be utilized in the case of any account that is billed for demand charges and in no event for more than 90 calendar days.

26.11 Backbilling Non-Residential Accounts

26.11.1 Notice to Customers of Backbilling

26.11.1.1 Every backbill shall contain a written explanation of the reason for the backbill that shall be sufficiently detailed to apprise the customer of the circumstances, error or condition that caused the underbilling, and, if the backbill covers more than a 24 month period, a statement setting forth the reason(s) the utility did not limit the backbill pursuant to Rule 26.11.3.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.11.1.2 Every backbill shall contain, or be accompanied by, all applicable information required by Rule 26.8.

26.11.1.3 Every backbill covering more than a one month period, other than a catch-up backbill, shall contain a notice that the customer may obtain upon request a detailed billing statement showing how the charges were calculated, including any late payment charges. All catch-up backbills shall clearly indicate how the backbill was calculated, whether as if the service were used during the current cycle, or as if redistributed back to the last actual reading.

26.11.1.4 A backbill shall be accompanied by an offer of a deferred payment agreement pursuant to Rule 26.9, if applicable.

26.11.2 Limitations on Backbill Rendering.

26.11.2.1 The Company shall not render a backbill more than six months after the Company became aware of the circumstance, error or condition that caused the underbilling, unless a court extends the time to render a backbill.

26.11.2.2 The Company shall not upwardly revise a backbill unless the first backbill explicitly stated that the Company reserved the right to do so, the revised backbill is rendered within twelve months after the Company actually became aware of the circumstance, error or condition that caused the underbilling, and either the customer knew or reasonably should have known that the original billing or first backbilling was incorrect, or, new information shows that the first backbill was incorrect.

26.11.2.3 The Company shall render a downwardly revised backbill as soon as reasonably possible and within two months after the Company becomes aware that the first backbill was excessive.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.11.2.4 The Company shall not render a backbill for any underbilling when the reason for the underbilling is apparent from the customer's service application, or could have been revealed in a service application and the Company failed to obtain and/or retain such application.

26.11.3 Limitations on Backbilling Period.

26.11.3.1 When the failure to bill at an earlier time was due to utility deficiency, the Company shall not bill a customer for service rendered more than 12 months before the Company actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

26.11.3.2 The Company shall not bill a customer for service rendered more than 24 months before the Company actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

26.11.4 Rebilling of Estimated Demands.

26.11.4.1 The Company shall not upwardly revise an estimated demand unless it can demonstrate that, for the period during which the demand was estimated, it complied with the meter reading requirements and the no access procedures of Rule 26.10.

26.11.4.2 All revised demands shall be based on the best available information including the customer's present and historical energy consumption and load factor.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.11.4.3 No revised demand shall exceed 95 percent of the subsequent actual demand, unless the Company has, along with the estimated demand bill, offered a special appointment to read the meter, and the customer failed to arrange and keep such appointment, in which case the estimated demand may be revised up to the level of the subsequent actual demand.

26.11.4.4 The Company shall downwardly revise any estimated demand that exceeds the subsequent actual demand, within 30 calendar days after such actual demand was obtained.

26.11.4.5 The Company may only upwardly revise an estimated demand within 60 calendar days after the subsequent actual demand was obtained.

26.12 Deferred Payment Agreements for Residential Customers

26.12.1 Company Obligations

Generally the Company will offer any eligible residential customer or applicant a Deferred Payment Agreement with specific terms as required by 11.10 of 16NYCRR which sets forth in detail the procedures summarized here. The agreement offer will be made in duplicate on the form set forth beginning on Leaf No. 275 of this tariff.

26.12.2 Eligibility

All residential customers and applicants are eligible for an agreement, unless; the customer has broken an existing payment agreement which required payment over a period at least as long as the Standard Agreement described in Rule 26.12.5.2, or, the Public Service Commission determines that the customer or applicant is ineligible because he or she has the resources to pay the bill.

If the Company has reason to believe that the Customer or applicant may not be eligible for a Deferred Payment Agreement, it must submit a denial form, clearly stating its reasons, to the Commission for a determination of eligibility. A copy of the denial form must be provided to the customer or applicant.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.12.2. Eligibility: (continued)

While the Company is waiting for the Commission determination, the Company must postpone any termination of service activity, restore service or provide service, as applicable, as long as the customer or applicant pays current bills, and a downpayment and monthly installments consistent with the terms of the Standard Agreement, described in Rule 26.12.5.2 of this Tariff.

26.12.3 Written Offer of Deferred Payment Agreement:

A specific written offer will be made to eligible customers not less than seven calendar days (ten if mailed) before the earliest date that service may be terminated. A written offer is also required where payment of outstanding charges is a requirement for reconnection of service or acceptance of an application for service, and when a customer has broken an agreement that was for a shorter period of time than the Standard Agreement.

26.12.4 Before making a written offer, the company will make a reasonable effort to contact eligible customers or applicants in order to negotiate agreement terms that are fair and equitable considering the customer's financial circumstances. The Company may, at its discretion, require the customer or applicant to complete a form showing his or her assets, income and expenses and provide reasonable substantiation of such information. If the Company requires this type of information from the customer or applicant, it is the Company's responsibility to treat all such information confidentially.

To allow enough time to properly negotiate an agreement with the customer or applicant, the Company may postpone a scheduled service shut-off for up to 10 days.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS: (Continued)

26.12.5 Payment Agreement Terms:

26.12.5.1 Mutually acceptable terms. A Deferred Payment Agreement may contain any specific terms that have been negotiated in good faith by the Company and the customer or applicant.

26.12.5.2 The Standard Agreement. Where the Company has been unable to contact the customer or applicant to negotiate specific terms, or where negotiations have failed to produce mutually acceptable terms, the Company may offer a specific agreement based on the following terms:

* A downpayment up to 15 percent of the amount covered by the payment agreement or the cost of one-half of one month's average usage, whichever is greater, or, if the amount covered by the agreement is less than one-half of one month's average usage, 50 percent of the total amount covered by the payment agreement.

* Monthly installments up to the cost of one-half of one month's average usage, or, one-tenth of the balance, whichever is greater.

26.12.6 Entering into the Agreement:

A copy of the written payment agreement offer must be signed by the customer or applicant and returned to the Company in order to become valid and enforceable. In the case of customers who are subject to a final notice of termination, the signed agreement must be received by the Company by the day before the earliest day on which termination may occur, in order to avoid termination of service. If the signed agreement is not received as required, the Company may take steps to shut-off service.

26.12.7 Renegotiating Agreements:

If a customer or applicant can demonstrate that his or her financial circumstances have changed significantly because of conditions beyond his or her control, the Company will amend the terms of the agreement to reflect such changes.

GENERAL INFORMATION

26. BILLING, METER READING, AND COLLECTIONS (Continued)

26.12.8 Broken Agreements

If a customer fails to make timely payment in accordance with the terms of a payment agreement, the Company will send a reminder notice before issuing a final notice of termination. If the customer fails to pay by the 20th day after payment was due and has not negotiated a new agreement, the Company may demand full payment of the total outstanding charges and issue a final termination notice in accordance with 16NYCRR 11.4 and 11.10 and Rule 14.1.

26.13 Charge for Establishing and Disconnecting Service:

26.13.1 A customer served on either Service Classification No. 1 or Service Classification No. 2 Non-Demand who requests of the Company a field visit to obtain a meter reading for the purpose of establishing service or discontinuing service shall be assessed a charge of \$20.00. The \$20.00 charge may only be assessed if the Company has a good reading history, defined as the last month actual reading and at least one other actual reading within the last four months of the last actual read.

26.13.1.1 The Company must inform the requesting customer that the charge specified above will be applied to the customer's account and payable to the Company for this service.

26.13.1.2 The Company must inform the requesting customer of the alternative options available to the customer for the purpose of establishing and disconnecting service.

26.13.1.2.1 Other alternative options available to the customer include: (a) the customer providing their metering reading(s) to the Company, (b) the use of regularly scheduled meter reading(s) when applicable, or (c) the use of prorated meter reading(s) determined from actual recent meter reading history. These alternative options shall be explained to the requesting customer.

26.13.2 The \$20.00 charge shall be applicable and limited to one charge per visit for the same account.

26.13.3 A single \$20.00 charge shall apply to multiple accounts for the same customer at the same premise during a single visit.

26.13.4 A requesting customer who is elderly, blind or disabled, and is coded as such on the Company's records, and wants their meter reading(s) obtained by the Company by means of the field visit is exempt from the \$20.00 charge.

26.13.4.1 For the purpose of administering Rule 26.13.4, the terms elderly, blind and disabled are defined and administered in accordance with the Codes, Rules and Regulations of the State of New York, 16 Public Service (A), Section 11.5 (b) (1).

GENERAL INFORMATION

27. REVISIONS:

27.1 In the event of changes or revisions of Company's schedules, customer shall take and pay for service in accordance with the provisions of the revised or superseding schedule. Unless otherwise expressly provided for whenever a rate change becomes effective during a billing period, other than on regularly scheduled meter reading dates, charges to customer for that billing period will be calculated as a weighted composite of the old and new rate as follows:

27.2 Proration factors will be computed for both the new rate and old rate by dividing the number of days in which the rates are in effect by the total of billing days.

27.3 The old and new rates shall be multiplied by their respective proration factors and added to determine the composite rate.

27.4 The composite rates are then multiplied by their respective pricing units.

27.5 The charge to the customer will be the sum of all charges calculated in the preceding Rule 27.4.

28. SPECIAL SERVICES PERFORMED BY COMPANY FOR CUSTOMER AT A CHARGE:

28.1 Whenever, at customer's request, Company relocates equipment or facilities to suit the convenience of customer, customer shall reimburse Company the cost incurred by Company.

28.2 The occasion may arise to cause Company to provide additional facilities beyond those normally required to supply customer's total requirements. When customer requests Company to do so and it is mutually agreed, such additional facilities shall be installed by Company for any reasonable purpose of customer, including without limitation dual feeders to the point of delivery and/or special substation facilities to provide future capacity or to assure continuity in the supply and use of service. In that event Company will furnish, own, operate and maintain such additional facilities for customer and customer shall have the option of paying the Company, in addition to the charges for electric service, a non-refundable cash contribution upfront or a monthly surcharge of 1.5% for a ten (10) year period on the cost incurred by Company. The remainder of any surcharge shall be collected from any subsequent owner(s) of the premises served.

28.3 When Company provides additional facilities in accordance with Rule 4.2 or Rule 6, customer shall reimburse Company as provided therein.

GENERAL INFORMATION

28. SPECIAL SERVICES PERFORMED BY COMPANY FOR CUSTOMER AT A CHARGE:

28.4 The Company shall not provide or offer to provide services to customers that are normally provided by Energy Services Companies (ESCOs) such as energy audits, energy efficiency equipment, etc. without prior Public Service Commission approval. The Company shall be allowed to provide operation, maintenance and construction services to customer's equipment at a customer's explicit request that is related to energy delivery services. Any such services provided by the Company shall be subject to the following:

28.4.1 Under no circumstances shall such customer-requested services provided by the Company to individual customers impose a cost on other utility ratepayers. Customers shall be charged fully loaded rates for these services.

28.4.2 The Company shall provide these services on a first-come, first-served basis to customers who request them on non-discriminatory terms and conditions. That is, similarly situated customers shall be charged the same rates.

28.4.3 The Company shall make customers aware if there are other entities that may be able to provide the requested services.

28.4.4 The Company shall maintain records relative to all such services, including scope of work, copies of customer requests including acknowledgment that the customer was aware of alternate suppliers, revenues received, any profits made as a result of providing the services, and identifying any direct or indirect benefits to other ratepayers that the Company estimates was derived from the provision of the service.

28.4.5 The Company shall not hire any additional employees or purchase additional equipment in order to provide these services.

28.4.6 To the extent the Company's current or planned provision of the services described above requires Public Service Commission authorization pursuant to Public Service Law Section 107, that authorization is in the public interest and in approving the Settlement Agreement in P.S.C. Case Nos. 94-E-0098 and 94-E-0099, the Commission thereby grants that authorization for the term of the Settlement Agreement.

28.4.7 Pursuant to this Rule 28.4, customers may request that the Company provide data and metering services with respect to their own consumption of electricity beyond those required to bill the services furnished under this Tariff. In the event that a customer requests such data and metering services and the Company agrees to provide them, such additional data and metering services shall be provided at the Company's fully loaded costs.

GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT

29.1 The purpose of the Delivery Charge Adjustment (DCA) is to reconcile the Company's actual Electricity Supply Cost with the forecast Electricity Supply Cost upon which the Competitive Transition Charge (CTC)(s) was established, and adjusted for the Company's unhedged energy, capacity, and ancillary service cost and credits further described in Rule 29.2. The reconciliation shall consist of (i) the volumetric price of the forecast Electricity Supply Cost exclusive of Ancillary Services and NTAC which the CTC was based, minus (ii) the volumetric price of the actual Electricity Supply Cost which the customer is subject to at the time of billing exclusive of Ancillary Services and NTAC times (iii) the hedged percentage factor in Table 29.1:

Table 29.1 Hedged Percentage Factor

<u>Service Class</u>	<u>2001,2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>		
SC-1,1B,1C	0.95	0.95	0.95	0.95		
SC-2ND	0.95	0.95	0.95	0.90		
SC-2D	0.95	0.90	0.85	0.80		
PSC 214	0.95	0.90	0.85	0.80		
SC-3, SC-4, SC5 less than 2 MW	0.80	0.50	0.20	0.00		
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
SC-1,1B,1C	0.90	0.90	0.90	0.81	0.60	0.60
SC-2ND	0.90	0.90	0.90	0.72	0.51	0.51
SC-2D	0.80	0.80	0.45	0.00	0.00	0.00
PSC 214	0.80	0.80	0.00	0.00	0.00	0.00
SC-3, SC-4, SC5 less than 2 MW	0.00	0.00	0.00	0.00	0.00	0.00

29.2 The DCA shall additionally be adjusted for deviations between actual costs for unhedged energy and capacity for purchased power costs applicable to periods following August 31, 2001, and ESS revenues realized by the Company. For each calendar month, the adjustment to the DCA hereafter referred to as the Commodity Adjustment Charge (CAC), shall include a calculation of:

29.2.1 Total purchased power costs exclusive of (i) Ancillary Services and NTAC (ii) New York Power Authority Power For Jobs, (iii) Economic Development Power, (iv) Expansion Power, (v) Replacement Power, (vi) Rural and Domestic residential hydro supplies each of which are scheduled as bilateral transactions in the NYISO to such customers, inclusive of (vii) NYISO energy true-ups (for periods post August 31, 2001), (viii) NYPA Blenheim Gilboa, (ix) power supply and applicable hedging contracts, (x) NYISO purchases, (xi) Transmission Usage Charges, (xii) applicable TCC costs net of any associated congestion rents from those purchased TCCs, plus

GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT (Continued)

29.2.2 Amortized buyout or buy-down costs of IPP contracts provided that such monthly amortization schedule is established at the time of the buyout or buydown and is equal to the projected monthly purchased power savings until such time that either (I) the net present value of the amortization schedule inclusive of return at the Company cost of capital is equal to the buyout or buy-down cost or (II) the remaining amortization is included in any applicable CTC reset, minus

29.2.3 The over-market variable costs on Table 29.2.3 for the respective cost month, minus

TABLE 29.2.3
(\$000)

(Amounts exclude purchase for resale programs' costs and NYPA residential costs)

January 2008	\$3,288	January 2009	(\$22,271)
February	937	February	(19,307)
March	2,207	March	(21,198)
April	1,445	April	(17,244)
May	5,383	May	(13,363)
June	5,405	June	(13,233)
July	(11,044)	July	(11,963)
August	(11,769)	August	(12,376)
September	(12,867)	September	(15,195)
October	(17,762)	October	(16,616)
November	(17,701)	November	(15,314)
December 2008	(\$15,176)	December 2009	(\$14,847)

29.2.4 The net sum of (1) Rule 46, less Ancillary Services and NTAC charged plus (2) Rule 29.1 revenues, which may be negative, from customers for the respective cost month inclusive of all applicable service classes, minus (3) the product of the actual NYPA Rural and Domestic ("R&D") residential Niagara hydro purchase supplies, times the market value of the NYPA R&D as measured by the product of (i) the NYPA Rural and Domestic ("R&D") residential hydro purchase supplies, in kWh times (ii) the forecast energy and capacity market price used to establish the over-market variable cost, minus

29.2.5 Commodity revenues received from SC-3A customers served under Option 2, minus

29.2.6 Wholesale sales revenues associated with wholesale sales by Niagara Mohawk during the respective cost month, plus or minus

29.2.7 Costs deferred from previous months pursuant to Rule 29.2.10.

GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT (Continued)

29.2.8 The actual CAC rate (positive or negative) shall be calculated for the service classification applicable to the DCA by taking the resulting revenues determined in accordance with Rule 29.2.1 through 29.2.7 times (ii) the service class billing sales, associated with the cost month, taking Standard Rate Service, times (iii) the applicable Hedged Percentage Factor in Table 29.1, divided by (iv) the summation of the product of the service class' billing sales, associated with the cost month, taking Standard Rate Service times the applicable hedged percentage factor in Table 29.1, divided by (v) the service class billing sales taking Standard Rate Service whereby each sales is based upon the forecast sales for the corresponding recovery month which the adjustment will be refunded or collected from customers. The CAC will be calculated on a cost month basis and recovered on a two-month lag basis.

29.2.9 The CAC shall be calculated as one rate per kilowatthour for each class applicable to all customers in all service classifications, load zones and voltage levels eligible to receive the DCA.

29.2.10 The CAC shall be limited to \$0.003 per kilowatthour of hedged sales (where the hedged sales is the summation of the product of each class' billing sales times the applicable hedge percentage factor in Table 29.1) in aggregate not for each individual class, provided however, that if the three mill cap is reached for two consecutive months in a row, the cap will increase by one mill per kilowatthour to \$0.004 per kilowatthour, and if the four mill cap is reached for another two consecutive months in a row, the cap will increase by one mill per kilowatt-hour to \$0.005 per kilowatt-hour, and any costs in excess of the applicable caps shall be deferred with a return at the Company's cost of capital. The deferral shall continually be reduced and collected from or credited to customers in the CAC to the degree the CAC limit is not reached. If the total cost deferred exceeds \$40 million in the given years ending December 31, 2008 and December 31, 2009, the Company will be authorized to flow through the current costs in the CAC in the month after the \$40 million deferral limit is exceeded. This will avoid the accrual of any further deferrals, regardless of the caps set forth in this provision.

29.2.11 The CAC shall be added to the DCA value calculated in Rule 29.1 to determine the overall value of the DCA.

29.2.12 The CAC as determined in this Rule shall become effective with the first regular billing cycle of the second revenue month following the calendar month for which the DCA adjustment has been determined and shall continue to be in effect until the next billing cycle.

GENERAL INFORMATION

29. DELIVERY CHARGE ADJUSTMENT (Continued)

29.2.13 The calculation and the resulting per kWh rate of the CAC shall be presented on statements filed with the Public Service Commission apart from this schedule not less than three (3) business days prior to its effective date. Such statements shall be coincident with the first billing cycle of each month.

29.3 Customers who are served under SC-1, SC-1C, SC-2, SC-3, and SC-4 (less than 2 MW per month) of P.S.C. No. 220 Electricity, service classifications of P.S.C. No. 214 Electricity, and may be applicable to PSC No. 220 SC Nos. 11 and 12 in accordance with the terms of their individual contracts, and the portion of an EZR's customer load served at Standard Tariff rates are subject to the application of the DCA contingent on the eligibility of the customer for the Standard Rate Service as described in Rule 48.

29.4 The DCA shall be calculated on a per kilowatthour basis and will be the sum of the value calculated in Rule 29.1 and the value calculated in Rule 29.2. As a result, the DCA will vary by Load Area as defined in this Tariff, by service classification when applicable, and by voltage level where applicable, for each month.

29.5 The DCA shall be applicable regardless of whether the ESS is provided by the Company or an alternative supplier.

29.5.1 Regardless of the supplier of the ESS, the DCA shall be calculated in the identical manner as to reconcile the Company's actual Electricity Supply Cost with the forecast Electricity Supply Cost upon which the CTC(s) was established.

29.6 The applicable DCA shall be applied to the customer's actual billed kilowatthour consumption.

29.6.1 The DCA may be either a positive or negative value depending on the result of the reconciliation described in Rule 29.1 and 29.2.

29.6.2 The DCA rate per kilowatthour and the resulting revenue collection or refund shall be shown as a separate line item on customers' service bills.

GENERAL INFORMATION

30. SHARED METERS

In accordance with 16NYCRR Sections 11.30 through 11.32, and Section 52 of the Public Service Law, when a tenant's service meter also registers utility service use outside the tenant's dwelling and/or control, the tenant is not required to pay the charges for that service. The owner has three options when shared metering has been determined:

- a) Request the account be placed in the owner's name
- b) Correct the condition
- c) If allowed by law and if certain conditions are met, enter into a mutually acceptable agreement.

Following 120 days after the determination that a shared meter exists, if the owner does nothing, then the account will be placed in the owner's name without their request. The Company will rebill for past service in accordance with Section 52 of Public Service Law. A Customer may request a copy of Section 52 of Public Service Law and 16NYCRR Sections 11.30 through 11.32 from the Company.

31. CANCELED

GENERAL INFORMATION

32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

32.1 REVENUE TAX SURCHARGE

32.1.1 The rates and charges for service under all Service Classifications of this Schedule P.S.C. No. 220 Electricity, and under all Service Classifications of P.S.C. No. 214 Electricity, and including all surcharges and minimum or customer charges as applicable, shall be increased by a factor, one for commodity revenue and one for delivery revenue, developed from the aggregate percentage rate of the taxes imposed on the Company's commodity and delivery electric revenues pursuant to Section 186-a of the State Tax Law; Section 20-b of the General City Law; and Section 5-530 of the Village Law. The total of all rates and charges will be multiplied by a factor equal to the result of the tax rate divided by 1 (one) minus the tax rate (1-tax rate) for the appropriate municipality.

32.1.1.1 Delivery Revenue is defined as all charges on the delivery portion of a customer's bill less Commodity Revenue as defined in Rule 32.1.1.2 below, inclusive of the Electricity Supply Cost Adjustment Charge applicable to S.C. No. 11 customers whose contracts reference system average commodity rates.

32.1.1.2 Commodity Revenue is defined as Locational Based Marginal Pricing and Locational Based Marginal Capacity Price as defined in Rules 1.63 and 1.64, respectively, and determined in accordance with Rule 46 of this Tariff.

32.1.2 Under the Retail Access Program, as defined in Rule 39 of this Tariff, the following conditions apply for the application of the taxes defined under this Rule 32.

32.1.2.1 In the circumstance where the Company provides the transmission, distribution and delivery service for the Customer and is also the providing electricity supply service to the Customer, all elements of this tax as described in Rule 32.1 shall be applicable to the aforementioned rates and charges.

32.1.2.2 In the circumstance where the Company provides only the transmission and delivery service for the Customer, and the electricity supply service is provided to the Customer by an entity other than the Company, only Section 186-a of the State Tax Law shall be applicable to the Company's transmission distribution and delivery service rates and charges. The applicable delivery and/or commodity tax factors shall be applied to the respective delivery and commodity rates and charges as defined above.

GENERAL INFORMATION

32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED: (Continued)

32.1.3 The applicable commodity and delivery revenue tax surcharge factors shall be set forth on two statements filed with the Public Service Commission and are subject to adjustment whenever a city or a village levies a new tax on the Company's gross revenues, repeals such a tax, or charges the rate of such tax.

Every such statement shall be filed not less than fifteen (15) business days before the date on which the statement is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the statement and shall be canceled not more than five (5) business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be available to the public by contacting the Company's Customer Service Center where applications for service may be made.

GENERAL INFORMATION

32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED: (Continued)

32.2 CHARGES FOR MUNICIPAL UNDERGROUNDING:

32.2.1 If a municipality requests or requires, by resolution or other appropriate evidence of authority, that the Company relocate underground all or a portion of the Company's existing overhead distribution or transmission facilities within the boundaries of such municipality ("Overhead Facilities"), the Company will recover the costs of complying with such request or requirement through a levelized surcharge applied to the kWh usage on the bills of all customers within such municipality. Such surcharge shall be applied for a period of 30 years, or such other term not to exceed 30 years, as agreed upon by the Company and the municipality for the recovery of the cost of the undergrounding project ("Surcharge Period"). The cost of complying with subsequent requests or requirements for undergrounding work shall be recovered through separate levelized surcharges.

The surcharge will be calculated to recover the incremental annual revenue requirement experienced by the Company in implementing the undergrounding project. The elements of the incremental annual revenue requirement for each undergrounding project ("Underground Facilities") shall be the incremental costs, the incremental depreciation expense, the rate of return, incremental property taxes resulting from the undergrounding facilities, and other incremental expenses.

32.2.2 Calculation of Incremental Annual Revenue Requirement:

The elements of the incremental annual revenue requirement shall be determined as follows:

32.2.2.1 Incremental Capital Costs

Incremental capital costs shall consist of the sum of all fully loaded incremental capital costs associated with the Underground Facilities, including costs to construct the new facilities, remove the Overhead Facilities net of salvage, relocate facilities, secure rights-of-way and obtain governmental and regulatory approvals.

32.2.2.2 Incremental Depreciation Expense

Incremental depreciation expense will be computed by subtracting depreciation expense for the Overhead Facilities from the depreciation expense for the Underground Facilities. Incremental depreciation expense for the Underground Facilities will be computed by applying a depreciation rate based on the Surcharge Period to the incremental capital costs of the Underground Facilities. Depreciation expense for the Overhead Facilities will be computed by applying the approved depreciation rates, in effect at the time the initial surcharge calculation is made for any municipality, to the book cost of the Overhead Facilities.

32.2.2.3 Rate of Return Component

The rate of return component will be computed by applying the overall pre-tax rate of return reflected in the rates resulting from the Company's most recent electric rate proceeding, including all income tax effects thereon, to the incremental capital costs of the Underground Facilities.

GENERAL INFORMATION

32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED: (Continued)

32.2 CHARGES FOR MUNICIPAL UNDERGROUNDING: (Continued)

32.2.2.4 Incremental Property Taxes

Incremental property taxes will be computed by subtracting the property tax expense for the Overhead Facilities from the property tax expense for the Underground Facilities. Property tax expense for the Underground Facilities will be computed by applying current property tax rates annually adjusted for inflation to the estimated assessed valuation of the Underground Facilities. Property tax expense for the Overhead Facilities will be computed by applying current property tax rates annually adjusted for inflation to the estimated assessed valuation of the Overhead Facilities at the time the initial surcharge calculation is made for any municipality.

32.2.2.5 Other Incremental Costs

Other incremental costs include, but are not limited to, the costs incurred to notify affected customers of the surcharge and any reimbursement costs associated with a municipality electing to include in the surcharge the costs of initial conversion of existing customer line extensions and service entrances from Overhead Facilities to Underground Facilities.

32.2.3 Surcharge Calculation:

The surcharge will be assessed on a per kilowatt hour basis to all customers within the municipality. The surcharge will be calculated by dividing the incremental annual revenue requirement resulting from the undergrounding project by the preceding year's actual annual kilowatt hour consumption in such municipality. The surcharge will take effect as soon as the Underground Facilities are placed into service. The surcharge will remain in effect for the duration of the Surcharge Period.

32.2.3.1 The Company may adjust the incremental annual revenue requirement where any legislative, court, or regulatory change imposes new or modifies existing obligations or duties to recover the revenue requirement effect of such change.

32.2.3.2 The Company may adjust the incremental annual revenue requirement when the Commission approves any changes in the Company's overall rate of return and/or when there are changes in property taxes affecting Underground Facilities to recover the revenue requirement effect of such change.

32.2.3.3 The surcharge will be adjusted to reflect a contribution, if any, made by the affected municipality to cover the cost of undergrounding. The municipality may elect to make an up front lump sum payment in lieu of the surcharge.

32.2.4 Statement of Municipal Surcharges:

The applicable surcharge shall be set forth on a Statement of Municipal Surcharges (the "Statement") filed with the Commission. The Statement shall include a separate municipality-specific surcharge for each municipality in which a municipality surcharge is applicable pursuant

GENERAL INFORMATION

32. INCREASE IN RATES APPLICABLE IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

32.2 CHARGES FOR MUNICIPAL UNDERGROUNDING: (Continued)

to this provision. Whenever there is a change in the amount to be collected, the Company shall file with the Commission a new Statement reflecting the new or additional surcharge. The Statement shall be filed not less than thirty days prior to any proposed change or addition and will show the revised municipal surcharge and the effective date. Such statement shall be sent to the affected municipality and available to the public upon request.

32.2.5 Customer Owned Facilities:

32.2.5.1 All service lines connected to the Overhead Facilities shall be relocated by the customer at the customer's expense. Any costs associated with modifications to the customer's service entrance or other customer-owned facilities and/or Company-owned facilities interconnecting with customer-owned facilities shall be the responsibility of the affected customer. The Company shall notify customers whose facilities interconnect with the Overhead Facilities that are to be removed of the actions they need to take to interconnect with the Underground Facilities. The Company may suspend service to any customer that has not arranged for connection to the Underground Facilities at the time the Overhead Facilities are removed.

32.2.5.2 At the time of the undergrounding project, upon approval by the Company, a municipality may elect to include in the surcharge the cost of initial conversion of existing customer line extensions from Overhead Facilities to Underground Facilities. All service lines shall be relocated by the municipality at the municipality's expense. Any cost associated with modifications to the customer's service entrance or other customer-owned facilities and/or Company-owned facilities interconnecting with customer-owned facilities shall be the responsibility of the municipality. The Company shall reimburse the municipality and include the amount in the surcharge calculation. The municipality shall notify all customers of the actions they need to take to interconnect with the Underground Facilities. The Company may suspend service to any customer that has not arranged for connection to the Underground Facilities at the time the Overhead Facilities are removed.

32.2.5.3 Where the municipality requires Underground Facilities to upgrade or expand service, the customer shall be responsible for the incremental cost associated with Underground Facilities where the Company would otherwise have provided Overhead Facilities. Customer shall give the Company reasonable advance notice, preferably in writing, of any proposed increase in service required, setting forth in such notice the amount, character and expected duration of time the increased service will be required.

32.2.6 Notification:

If a municipality requests or requires that the Company relocate underground all or a portion of the Company's existing distribution or transmission facilities within the boundaries of such municipality, the Company shall notify all affected customers of the resulting surcharge prior to implementation. The incremental cost associated with notification shall be included in the surcharge calculation.

GENERAL INFORMATION

33. PAYMENT OF INTEREST ON CUSTOMER OVERCHARGES

33.1 The Company shall pay interest on customer overpayments when the overpayment was caused by Company error. The Company is not required to pay interest on overpayments if the Company remits a refund to the customer within thirty (30) days after the date the customer's overpayment is received by the Company.

33.1.1 A customer overpayment is defined as payment by the customer to the utility in excess of the correct charge for electric service supplied to the customer which was caused by erroneous billing by the Company.

33.1.2 The interest rate to be applied to customer overpayments shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. The interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.

33.1.3 The total billing refund amount, overpayment and interest, will be applied to the past due balance on the customer's account. Any remaining refund amount will be paid by check to the customer, unless otherwise directed by the customer. Prior customers no longer receiving service will be paid by check. Total refund amounts relating to matters other than billing will normally be refunded by check to the customer or developer, unless the customer or developer owes the Company for services rendered.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS

34.1 INTRODUCTION: Niagara Mohawk Power Corporation presently administers one Company sponsored economic development program as well as three additional programs, one sponsored in cooperation with the State of New York and two co-sponsored by the Company and the New York Power Authority (NYPA). These programs are designed to encourage the permanent location of commerce and industry and the expansion or retention of the labor force within Niagara Mohawk's service territory through meeting the special Electric Service needs of eligible applicants. The Economic Development Programs are further described herein.

34.1.1 Program Titles

34.1.1.1 Program 1 - Economic Development Rider (EDR):

EDR is a Niagara Mohawk sponsored economic development program offered to encourage business attraction and expansion by means of a declining percentage discount to the customer's service bill over a five year period. The EDR program is closed to new subscribers, but the Company will continue to honor existing EDR arrangements for their remaining Terms.

34.1.1.2 Program 2 - Empire Zone Rider (EZR):

EZR is sponsored in cooperation with New York State Department of Economic Development and Labor, local Empire Zone Boards and Niagara Mohawk to renew designated economically distressed geographic areas of the Company's service territory. Non-residential customers, both existing and new, who relocate or expand in certified zones by the addition of permanent load, shall be eligible to receive discounted rates. Qualified subscribers are eligible for special rates for up to a ten (10) year term.

34.1.1.3 Program 3 - Economic Development Power Rider (EDPR):

This service is sponsored in cooperation with the New York State Economic Development Power Allocation Board (EDPAB), the New York Power Authority (NYPA) and Niagara Mohawk to offer to qualifying non-residential customers low cost NYPA power which is purchased for delivery by Niagara Mohawk on behalf of these customers. This program offers discount services for load growth and load retention as certified by NYPA. Subscribers are eligible for access to the NYPA program benefits as defined in their contract with NYPA and the NYPA / Niagara Mohawk delivery contract.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.1 Introduction (Continued)

34.1.1 Program Titles (Continued)

34.1.1.4 Program 4 - Power for Jobs Rider (PFJR):

This service is also sponsored in cooperation with EDPAB, NYPA and the Company to offer discounted Power For Jobs (PFJR) Service to qualifying non-residential customers pursuant to the terms of Rule 34.5 of this Tariff and the Customer's individual PFJR Allocation and Service Agreement negotiated directly with NYPA.

34.1.2 Common Program Eligibility Requirements

34.1.2.1 Economic development programs are available to non-residential customers and are further restricted as specified in each program's eligibility criteria; and

34.1.2.2 who qualify to take service under the applicable service classifications; and,

34.1.2.3 who enter into and agree to the terms and conditions of a written agreement with the Company.

34.1.2.3.1 Customers, who as of August 1, 1999, have met the eligibility criteria for one or more of the Economic Development programs and do not have a written service agreement with the Company authorizing their participation in an Economic Development Program under this Rule 34, shall have until November 1, 1999 to submit such an agreement on the form specified by the Company, whereupon customers failing to finalize such an agreement shall cease to be eligible for any Economic Development Program for which they do not have an authorizing agreement. The Company shall provide written notice of the timing requirements for a written service agreement.

34.1.2.3.2 Customers, who subsequently meet the eligibility criteria of one or more of the Economic Development Programs, shall have up to 90 days from the point at which the Company determines their eligibility to execute a written service agreement. The Company shall provide written notice of the timing requirements for a written service agreement when the eligibility criteria are met.

34.1.2.4 Customers must be current in their payment of all undisputed bills and the undisputed portion of all disputed bills for service rendered by the Company to be eligible to receive service under any program offered herein. Customers who have executed a deferred payment agreement with the Company and are in full compliance with the requirements of their DPA shall be eligible for these programs.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.1 Introduction (Continued)

34.1.2 Common Program Eligibility Requirements (Continued)

34.1.2.5 Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2) pursuant to Rule 26.4. The Company reserves the right to terminate the discounted service if the undisputed portion of the bills are not paid when due.

34.1.2.6 With the exception of Program 1, EDR, customers served under this Rule 34 shall be eligible for the Retail Access Program in accordance with Rule 39, Retail Access Program. Customers receiving service under Program 3-EDP or Program 4-PFJR shall not be eligible to receive Retail Access for that portion of their requirements supplied by EDP or PFJR Power under those programs.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.1 Introduction (Continued)

34.1.3 General Program Administration Requirements

34.1.3.1 All customers who participate in an Economic Development Program must agree to the applicable metering and billing options as described under Rule 34.1.4, Provisions for Metering and Billing.

34.1.3.2 All incremental and retained economic development electric load must be served off;

34.1.3.2.1 existing distribution, service and/or metering facilities, or;

34.1.3.2.2 distribution, service and/or metering facilities constructed by the customer, provided they meet Company specifications, or by the Company, as agreed upon within the executed service contract. The Company shall bear material and installation costs for line extensions up to the allowances provided for in 16NYCRR 98.2(j), in the case of an overhead line extension, or in 16NYCRR 98.2(h) or 98.2(i), in the case of an underground extension. In the case of an underground extension installed at the request of the applicant or authorized governmental agency, the allowance should be based on the estimated cost of overhead line provided over the same route as the underground line extension. The applicant shall be responsible for all costs which exceed the portion which the utility is required to provide without contribution.

34.1.3.3 All customers who participate in either Program 1 - EDR or Program 2 - EZR who do not separately meter their load, and all Program 3 - EDPR and Program 4 - PFJR participants are subject to an Incremental Customer Charge. The Incremental Customer Charge is determined by the provisions of the service classification which would otherwise apply, absent the Economic Development program (hereinafter referred to as the parent service classification). The incremental customer charge consists of program specific requirements related to Incremental Metering, Billing, and Administration costs associated with providing these program related services.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.1 Introduction (Continued)

34.1.4 Provisions for Metering and Billing Economic Development Usage

34.1.4.1 Options For Program 1 - EDR and Program 2 - EZR

34.1.4.1.1 Physically Separated Loads - Where the customer physically separates its incremental load eligible for EDR or EZR service from its load which is not eligible for any such discount, the customer's incremental load shall be billed in accordance with the provisions of Rules 34.2.2 and 34.2.3 as applicable, and the customer's remaining load shall be billed under the otherwise applicable non-residential service classification of this Tariff.

Upon the termination of the customer's eligibility to receive service under any economic development program, all service to the customer shall be billed under the applicable non-residential service classification of this Tariff, inclusive of Retail Access under Rule 39 if elected by the customer.

34.1.4.1.2 Non - Separated Loads - Customers who elect not to establish a separately metered account for qualifying load must agree to be billed using the Program Specific Alternate Billing Methodology as described in Rule No. 34.2.3.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.1 Introduction (Continued)

34.1.4 Provisions for Metering and Billing Economic Development Usage - (Continued)

34.1.4.2 Program 3 - EDPR

34.1.4.2.1 All load eligible under the EDPR Rider shall be metered and billed using the Billing Methodology described below under Rule Nos. 34.4.3 and 34.4.4 as applicable.

34.1.4.3 Program 4 - PFJR

34.1.4.3.1 All load eligible under the PFJR Rider shall be metered and billed using the Billing Methodology described below under Rule Nos. 34.5.3 and 34.5.4 as applicable.

34.1.4.4 All metered quantities shall be converted to billing quantities according to Rule 25.4 prior to determining the customer's bill.

34.1.4.5 Customers served under these Programs are subject to the customer charge of the parent service classification.

34.1.5 Information and Application For Service

34.1.5.1 Inquiries concerning service under these provisions shall be directed to the Economic Development Department, Niagara Mohawk Power Corporation, 300 Erie Boulevard West, Syracuse, New York 13202. Formal application shall be made in writing upon Company's prescribed forms.

34.1.6 Definition of Existing Allocations and New Allocations

34.1.6.1 For the purpose of this Rule 34, the term "New Allocations" shall mean allocations of power approved by NYPA's Trustees after February 1, 2002, the effective date of the Rate Plan associated with the Joint Proposal in Case 01-M-0075, transfers and assignments of allocations from a customer premise/location on Niagara Mohawk's system (i.e., a change in ownership/occupancy of a premise/location will not be deemed "new"). A customer with an "Existing Allocation" (i.e., any allocation not within the definition of the term "New Allocations" under this Rule) may receive "New Allocations" without causing its "Existing Allocations" to be classified as "New Allocations".

PROGRAM DESCRIPTIONS

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.2 Program 1 - Economic Development Rider (EDR)

34.2.1 Eligibility Criteria:

The Company's EDR Program is closed to new subscribers. The Company, will, however, continue to honor its existing EDR arrangements according to their terms. Customers wishing to terminate an existing EDR arrangement may do so by providing the Company with not less than ninety (90) days prior written notice. Customers who terminate their EDR arrangements or whose EDR arrangements expire according to their terms shall no longer be eligible for the EDR discounts provided in this Rule 34.2. Notwithstanding the above, the Company will waive the minimum notification requirements in the event that a customer who receives service under EDR and who thereafter is awarded a Power For Jobs allocation and the benefits associated with such an allocation would be delayed due to the minimum notification requirements contained herein.

In order to remain eligible for these EDR discounts prior to the expiration or termination as provided herein, customers with existing EDR arrangements must continue to meet the following requirements:

34.2.1.1 Customer must continue to qualify to take service under and in accordance with the provisions of either Service Classification Nos. 3, 3-A, and 4 of P.S.C. 220 Electricity; and

34.2.1.2 Customers must continue to have a demand of at least 100 kW of permanent load supplied in full by the Company which was added as a result of the award of an EDR discount by: (a) constructing a new facility; or (b) purchasing or leasing an existing facility that has been vacant for at least six months; or (c) expanding an existing facility, and

34.2.1.3 Customer's facilities must continue to be classified by the Standard Industrial Classification Manual (1987 edition or supplements thereto) as Manufacturing (Division D), Transportation Communication (All of Major Group 42, S.I.C. 4513-Air Courier Services of Major Group 45, all of Major Group 47, and S.I.C. 4812-Radiotelephone Communications, S.I.C.-4813 Telephone Communications except Radiotelephone, and S.I.C. 4899-Communication Services not elsewhere classified of Major Group 48 of Division E), Wholesale Trade (Division F), Finance, Insurance, Real Estate (Division H - applicable to real estate offices or facilities, but not to real estate ventures such as apartment buildings, motels, hotels, etc.), and Business Services (Major Group 73 of Division I).

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.2 Program 1 - Economic Development Rider (EDR) (Continued)

34.2.2 Billing Methodology: Separately Metered Loads

34.2.2.1 Where a customer's incremental load is metered separately from its non-EDR load, the customer's EDR load shall be served under the rates, charges and provisions of one of the following Special Provisions, as appropriate:

- Special Provision G of rate schedule S.C. No. 3; or
- Special Provision F of rate schedule S.C. No. 3-A; or
- Special Provision E of rate schedule S.C. No. 4.

These rates and charges shall be subject to the discount percentages specified in 34.2.2.3, below.

34.2.2.2 Reclassification of customers served under an EDR Discount - Customers shall be served under the most favorable service classification for the Economic Development recipient (i.e. a customer who adds incremental load which constitutes service reclassification, will not be reclassified while eligible for EDR if the reclassification results in a decrease in the Economic Development benefit that the customer would otherwise receive).

34.2.2.3 The amounts calculated and billed under Rule 34.2.2.1 shall be subject to Rule 41 (System Benefits Charge) and Rule 32 of this schedule and shall be reduced in accordance with the following schedule:

34.2.2.3.1 for the initial twenty-four (24) months following commencement of service under this provision, the bill reduction shall be ten (10) percent of the bill for qualifying EDR load;

34.2.2.3.2 for the twenty-four (24) months following the initial twenty-four (24) months, the bill reduction shall be seven (7) percent of the bill for the same load; and

34.2.2.3.3 for the twelve months thereafter, the bill reduction shall be five (5) percent of the amount due on the EDR load.

34.2.2.4 Regardless of the rate classification under which the Economic Development recipient was billed for the duration of their Economic Development Rider; upon expiration of EDR eligibility the customer shall be placed in the appropriate service classification as determined by the previous year's electric energy consumption and demand.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.2 Program 1 - Economic Development Rider (EDR) (Continued)

34.2.3 Alternate Billing Methodology: Non-Separated Loads

The intent of the Alternate Billing Methodology is to provide customers with an alternative to separately metering incremental electric load when the cost to physically separate the incremental load is prohibitive. The Company reserves the right to monitor and enforce the intent of the Alternate Billing Methodology.

34.2.3.1 For customers electing service under Program 1 - EDR or Program 2 - EZR who have elected not to separate their Economic Development load, the billing units eligible for the EDR and EZR discounts shall be the billing units in excess of the historic (hereinafter base) period billing units. The base period billing units shall be determined as follows:

34.2.3.1.1 The base year billing determinants shall consist of the 12 monthly maximum metered demands, 12 monthly metered energy values (24 values for S.C. No. 3-A, representing on and off-peak energy use) and 12 monthly metered RkVA values from the customer's 12 billing periods prior to the executed EDR or EZR contract, or

34.2.3.1.2 when in the Company's determination, the billing determinants associated with the 12 billing periods prior to the executed EDR or EZR contract are not representative of the customer's operations, the Company reserves the right to assign appropriate billing units to that customer.

34.2.3.1.3 Base year billing determinants shall be proposed by the Company and accepted by the customer.

34.2.3.1.4 The base period billing determinants shall be documented and included with the signed contract between the EDR or EZR recipient and the Company and shall serve as the basis for administering EDR or EZR discounts for the duration of the Economic Development Rider award.

34.2.3.1.5 The highest demand identified on a fifteen minute interval basis (30 minute interval basis for S.C. No. 4) during the billing period, as determined in accordance with the provisions of the Service Classification, shall be used for the determination of metered demand.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.2 Program 1 - Economic Development Rider (EDR) (Continued)

34.2.3 Alternate Billing Methodology: Non-Separated Loads (Continued)

34.2.3.2 The eligibility criteria as expressed in Rules 34.2.1 and 34.3.1 must be met in the current month's billing period in order for the customer to receive the Economic Development discount in the current month's bill. When the current billing period's metered units do not exceed the base period units by the minimum threshold limits as expressed in Rules 34.2.1 and 34.3.1, then no Economic Development discount shall be applied to the current month's bill.

In order to be eligible for Economic Development Program benefits, customers who subscribe to the Alternate Billing Methodology must register metered usage (demand, on-peak energy, off-peak energy, and total energy) in excess of the base period billing units. When the current month's metered units exceed the base period's units by the minimum threshold limits as expressed in Rules 34.2.1 and 34.3.1 EDR or EZR units shall be identified and eligible for the appropriate Economic discount according to Rules 34.2.2.3 and 34.3.4, respectively. Assuming the minimum thresholds have been met, the demand, RkVA, and energy will be accounted for according to the following rules:

34.2.3.2.1 The Company billing demand for non-discounted Service shall be the lesser of the base period demand and the current month's demand. All metered demand in the current billing period which is in excess of the base period demand shall be considered EDR or EZR demand and shall be eligible for the appropriate Economic Development discount.

34.2.3.2.2 The Company billing reactive demand, for non-discounted Service shall be the lesser of the base period reactive demand and the current month's reactive demand. All metered reactive demand in the current billing period which is in excess of the base period reactive demand shall be considered EDR or EZR reactive demand and shall be eligible for the appropriate Economic Development discount.

34.2.3.2.3 All metered energy in the current billing period which is in excess of the base period's metered energy shall be considered EDR or EZR energy. If the Economic Development recipient is billed on Niagara Mohawk's Large General Service Time of Use Classification (P.S.C. No. 220 S.C. 3-A), the metered on-peak energy and off-peak energy must both be in excess of the base period's metered on-peak and off-peak energy respectively, to be considered EDR or EZR energy and to be eligible for the appropriate Economic Development discount.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.2 Program 1 - Economic Development Rider (EDR) (Continued)

34.2.3 Alternate Billing Methodology: Non-Separated Loads (Continued)

34.2.3.3 All metered quantities shall be converted to billing quantities according to Rule 25.4 prior to determining the customer's bill.

34.2.3.4 Economic Development participants served under EDR or EZR who do not separately meter their incremental load are subject to an Incremental Customer Charge as specified in Rule 34.1.3.3. The Incremental Customer Charge and the respective parent service classifications for which they apply are as follows:

Parent Service Classification Nos. 2, 3, 3A, 4	\$6.69/mo.
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34.2.4 Termination

34.2.5.1 Customer may cancel the EDR Electric Service upon ninety (90) days prior written notice of the Company.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR)

34.3.1 Eligibility Criteria:

34.3.1.1 Any applicant or customer:

34.3.1.1.1 who qualifies for service under and in accordance with the provisions of Service Classification Nos. 2, 3, or 3-A, or who qualifies for service under and in accordance with the provisions of Service Classification No. 7, except an applicant or customer who is a Wholesale Generator as defined in Rule 1.76 or who has applied for or is receiving service under SC-7 Special Provision I, for parent rate classes SC-2D, SC-3, and SC-3A without separately metered incremental EZR load; and

34.3.1.1.2 who has been certified by the state and local empire zone administrators as being eligible to receive the benefits pursuant to Article 18-B of the General Municipal Law, and;

34.3.1.1.3 who in the case of an existing demand metered customer permanently increases demand by the lesser of twenty-five (25) percent or 100 kW, or;

34.3.1.1.4 who in the case of an existing non-demand metered customer permanently increases their annual energy usage by twenty-five (25) percent.

34.3.1.2 Permanent load shall be defined as the addition of demand and/or kWh which is associated with the installation of new facilities or equipment which consume electricity or a permanent increase in the utilization of manufacturing facilities such as results from the addition of another shift. Seasonal or other fluctuations in load of the customer's existing facilities or equipment, such as heating or air conditioning demands and construction power demands, shall not qualify as meeting the permanent load requirement.

34.3.1.3 Qualifying EZR Load: The load (expressed in kW and kWh) qualified to receive Empire Zone benefits shall be identified according to the billing methodologies specified in Rule 34.3.2 and 34.3.3.

34.3.2 Billing Methodology: Separately Metered EZR Load

34.3.2.1 For customers taking service under Program 2 (EZR) and who have elected to separately meter Economic Development load, the entire separately metered account shall be eligible for the EZR discount rate.

34.3.2.2 Separately Metered Qualifying EZR Load under this EZR program shall be exempt from Rule 41 – System Benefits Charge, unless the customer elects to participate in Rule 41 with respect to such Qualifying EZR Load, as provided in Rule 41.3.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.2.3 An electric customer who submeters electricity to customers certified under this program is eligible for the rates for that portion of the purchases deemed eligible by the zone administrator but subject to all rules and provisions of P.S.C. No. 220 Electricity governing submetering.

34.3.3 Alternate Billing Methodology: Non Separated EZR Load

34.3.3.1 For customers taking service under Program 2 (EZR) and who have elected not to separately meter incremental load, the Company will administer EZR discounts according to Rule 34.2.3, Rule 34.3.3.3, and Rule 34.3.4.

34.3.3.2 Customers served under the EZR program who do not separately meter their load shall only be exempt from Rule 41, System Benefits Charge on Qualifying EZR Load, unless the customer elects to participate in Rule 41 with respect to such Qualifying EZR Load, as provided in Rule 41.

34.3.3.3 For eligible Service Classification No. 7 customers, the alternate billing methodology used to separate incremental EZR load from Service Classification No. 7 load (i.e., base load), as provided in Rule 34.2.3 shall be modified as provided herein.

34.3.3.3.1 The customer's total facility load shall replace the billing metered units in the determination of the base period billing units specified in Rule 34.2.3.1. The total facility load represents the customer's load excluding power and energy supplied by the customer's on-site generation, and shall be calculated on a interval-by-interval basis as the sum of the generation metered units and the billing metered units minus any excess generation metered units that are delivered back to the Company's electric system. In the event power and energy was supplied by on-site generation during the 12-month period used to calculate the base year billing determinants and generation interval-by-interval metering data was not available for all or part of the 12-month period, the Company shall estimate the total facility load.

34.3.3.3.2 In each billing period, the total facility load shall be determined by adding, on a metered interval-by-interval basis, the generation demand and energy values to the billing demand and energy values, minus any excess generation demand and energy values that are delivered back to the Company's electric system. The total facility load demand and energy shall replace the current month's demand and energy specified in Rule 34.2.3.2 in the determination of the customer's eligibility for EZR benefits in the applicable Billing Period, the customer's EZR demand and energy available for the EZR discount, and the Company billing demands and energy for non-discounted service.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.3.3.3 Charges for demand and energy not available for EZR discount shall be as specified in Special Provision K of Service Classification No. 7.

34.3.4 Electric Pricing For Qualifying EZR Load

34.3.4.1 Unless otherwise taking service under Rule 39, Retail Access Program, customers served under Program 2, EZR, shall be subject to Electricity Supply Cost in accordance with Rule 46, (Electricity Supply Cost).

34.3.4.2 Delivery Rates Applicable to Qualifying EZR Load on or after September 1, 1998. Except as otherwise expressly provided for in a fully executed Form C Agreement, between the Company and a Customer dated on or before August 31, 1998, delivery rates applicable to Qualifying EZR Load shall be priced as follows:

34.3.4.2.1 Transmission Delivery Rates:

All EZR Service provided under this Program must be transmitted and delivered into the Company's distribution system pursuant to the provisions of the NYISO Tariff filed with the Federal Energy Regulatory Commission, as that NYISO Tariff may be changed or modified from time to time. The applicable rates for this Rule 34.3.4.2.1 are as follows:

All Voltage Delivery Levels

	<u>Per kWh</u>	<u>Per kW</u>
SC-2ND	\$ 0.00477	\$0.00
SC-2D	\$ 0.0000	\$1.89
SC-3	\$ 0.0000	\$1.89
SC-3A	\$ 0.0000	\$1.89

34.3.4.2.2 Marginal Distribution Delivery Rates:

The Marginal Distribution delivery rates apply only to those customers served at a primary or secondary voltage delivery. The rates shall be administered on a per kWh basis, specific to customer's voltage delivery level as follows:

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.4 Electric Pricing for Qualifying EZR Load (Continued)

34.3.4.2.2 (Continued)	<u>2.2 - 15 kV</u>	<u>< 2.2 kV</u>
	Per kWh	Per kWh
SC-2ND	\$0.00431	\$0.00657
SC-2D	\$0.00463	\$0.00705
SC-3	\$0.00341	\$0.00594
SC-3A	\$0.00307	\$0.00589

34.3.4.2.3 A customer who elects to obtain their Electricity Supply Service from an ESCo for its qualifying EZR load, is eligible for Rule 42 - Customer Service Backout Credit (CSBC) Mechanism. The customer shall be eligible for its parent service classification's CSBC rates as specified under Rule 42. The CSBC credit amount for a customer's monthly billing period shall be determined by the application of the appropriate CSBC rates to the qualifying EZR load (kWh), however such credit amount as determined above can be no greater than the customer's parent service classification's customer charge.

34.3.4.3 Delivery Rates Applicable to Qualifying EZR Load Which Commenced Before September 1, 1998.

Group Classification Criteria

34.3.4.3.1 Customers who are eligible to receive EZR service and whose EZR service commenced prior to September 1, 1998 shall be divided into the following three groups for billing purposes:

34.3.4.3.1.1 Group 1 Customers: Customers who do not qualify for service under Group 2 or 3.

34.3.4.3.1.2 Group 2 Customers: Customers who meet the Manufacturing and Service Sector definitions as specified below:

A. Manufacturing Sectors:

Manufacturing customers shall be identified as those customers classified by the North American Industry Classification (NAICS) System Manual (1998 edition or revised thereto) as follows:

<u>Name</u>	<u>NAICS Code</u>
Manufacturing	31 - 33

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.4 Electric Pricing for Qualifying EZR Load (Continued)

34.3.4.3 Delivery Rates Applicable to Qualifying EZR Load which Commenced Before September 1, 1998 (Continued)

34.3.4.3.1 Group Classification Criteria (Continued)

B. Service Sectors:

Service Sector Customers shall include companies in the following business sectors having the following NAICS code classifications:

<u>Name</u>	<u>NAICS Code</u>
Wholesale Trade	42
Regional Warehousing / Storage, Professional, Scientific, Technical Services	493
Administrative or Support Services	541
	561

34.3.4.3.1.3 Group 3 Customers: Customers who qualify as Manufacturing and Service Sector Customers and who also meet one of the following criteria:

- 1) The Qualifying Manufacturing or Service Sector Customer imposes or in the Company's opinion is likely to impose monthly electric metered peak demands in the Company in excess of 5,000 kW; or
- 2) The Qualifying Manufacturing or Service Sector Customer has an average monthly load factor or in the Company's opinion is likely to impose an average load factor or at least 70 percent; or
- 3) The Qualifying Manufacturing or Service Sector Customer demonstrates that electric bills rendered to its facility paid to the Company represent at least 8 percent of the facility's annual gross revenues from sales; or,
- 4) The Qualifying Manufacturing or Service Sector Customer currently employs 300 or more manufacturing workers; or,
- 5) The Qualifying Manufacturing Customer is in the Paper/Paperboard Manufacturing (NAICS Code 3221), Chemicals Manufacturing (NAICS Code 325), Non-Metallic Mineral Products (NAICS Code 327), or Primary Metal Manufacturing (NAICS Code 331) industries.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.4 Electric Pricing for Qualifying EZR Load (Continued)

34.3.4.3 Delivery Rates Applicable to Qualifying EZR Load which Commenced Before September 1, 1998 (Continued)

34.3.4.3.2 Delivery Rates Applicable to Qualifying EZR Load which commenced before September 1, 1998 shall be set as follows:

<u>Rate Parameter</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>
Transmission Delivery			
SC-2ND (per kWh)	\$0.00477	\$0.00477	\$0.00477
SC-2D, SC-3, SC-3A (per kW)	\$1.89	\$1.89	\$1.89
Marginal Distribution Delivery			
SC-2ND (per kWh)	\$0.00657	\$0.00657	\$0.00657
SC-2D (per kWh)			
< 2.2 kV	\$0.00705	\$0.00705	\$0.00705
2.2-15 kV	\$0.00463	\$0.00463	\$0.00463
SC-3 (per kWh)			
< 2.2 kV	\$0.00594	\$0.00594	\$0.00594
2.2-15 kV	\$0.00341	\$0.00341	\$0.00341
SC-3A (per kWh)			
< 2.2 kV	\$0.00589	\$0.00589	\$0.00589
2.2-15 kV	\$0.00307	\$0.00307	\$0.00307

34.3.4.3.2.1 Transmission Delivery service charges are established based upon the provisions of the NYISO Tariff filed with and accepted by the Federal Energy Regulatory Commission (FERC), and are subject to modification from time to time.

34.3.4.3.2.2 Group 1, 2 and 3 customers who elect to take service in accordance of Rule 39, Retail Access Program, shall pay the Group 1 rates regardless of their group classification.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.3 Program 2 - Empire Zone Rider (EZR) (Continued)

34.3.5 Certification and Verification

Customers qualifying for the Empire Zones Program receive a Certificate of Eligibility from the State of New York, which entitles said customer to continue service at the discounted rate until the designated ten (10) year term expires, provided the Customer maintains their Zone certification throughout that period. The Company shall receive a copy of this certificate prior to offering a customer the discounted rate, and reserves the right to periodically verify said customer's continued eligibility for the program, and to remove any decertified customers from the program.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.1 Eligibility Criteria

34.4.1.1 Applicant or customer who qualifies must take service under and in accordance with the provisions of Service Classification Nos. 3 or 3-A, hereinafter referred to as the parent service classification, and

34.4.1.2 Customer's revitalization and expansion load requirements will be administered in accordance with New York State Economic Development Law, Article 6, Sections 184, 185 and 187, Public Authority's Law, and the regulations of the Power Authority of the State of New York; and

34.4.1.3 Customer must complete the subscription procedure as described in Section Rule 34.4.2; and

34.4.1.4 Customer must be currently receiving an allocation of EDP specifically identified on Schedule A to the May 22, 1997 Settlement Agreement between NYPA, the Company and the New York State Department of Public Service Commission ("the May 22nd Agreement") or must provide the Company with certification by NYPA that the customer's allocation of EDP is included in the first 46.00 MW of EDP allocated for sale in the Company's service territory, as provided in the May 22nd Agreement. EDP allocations in excess of this 46.00 MW limit are only eligible for delivery to retail customers of the Company pursuant to the provisions of Service Classification No. 4 or Rule 39 if the customer qualifies for such service.

34.4.2 Subscription Procedure

34.4.2.1 Applicant must apply to the Company on Company provided forms, including but not limited to a Form C contract, and application must include written approval from the New York State Economic Development Power Allocation Board and the New York Power Authority's Trustees regarding their EDPR allocation, and;

34.4.2.2 The completed application shall include written verification of the NYPA trustees award specifically stating:

34.4.2.2.1 delivery date;

34.4.2.2.2 delivery amount;

34.4.2.2.3 characterization of award: load growth or load retention, and

34.4.2.2.4 statement of eligibility from NYPA

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.2.3 The Company will commence service under EDPR effective the first of the calendar month following receipt of a fully executed and signed Agreement between the customer and the New York State Power Authority.

34.4.3 Billing Methodology:

34.4.3.1 The billing period for customers served under Program 3 shall be the calendar month. When a customer's eligibility for Program 3 expires, that customer shall revert back to the billing period of the applicable service classification as specified by the Company.

34.4.3.2 In the event that the NYPA is unable to deliver in any billing period any portion or all of the EDP power to the Company as contracted for, each customer shall have their respective delivery lowered by the amount of reduced deliveries, allocated on a prorata basis across all current EDPR contract demands. All such electricity not delivered and subsequently replaced with electricity supplied by the Company shall be billed according to the rates and provisions of the Service Classification applicable to the customer's load served by the Company during the periods of the reduced deliveries.

34.4.3.3 For customers electing service under Program 3 (EDPR), the Company will apply a billing algorithm ("Load Factor Sharing") to distinguish for the purposes of billing load supplied by the Company from that supplied by the Entergy Nuclear Plant (formerly NYPA's Fitzpatrick Nuclear plant) and other Authority sources. Load Factor Sharing is described in detail under Rule 34.4.4.

34.4.3.4 There is a NYPA required seventy-five (75) percent demand ratchet on the EDPR billing demand. Therefore, EDPR billed demand shall be EDPR billing demand as calculated under Load Factor Sharing (Rule 34.4.4.1.1) but not less than seventy-five (75) percent of the EDPR customer's contract demand, as specified in the Economic Development Power Allocation and Service Agreement on file with the Company.

34.4.3.5 Customers served under Program 3-EDPR, are subject to the following Rules of this Schedule:

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.3 Billing Methodology (Continued)

34.4.3.5.1 Rule 32, Increase in Rates Applicable in Municipality Where Service is Supplied, shall be applied to the total billing amount.

34.4.3.6 Customers who meet the eligibility requirements are subject to the loss adjusted rates stated in Rule 34.4.5 and as adjusted from time to time.

34.4.3.7 The Company has the right to revise the EDPR rates through a filing with the appropriate regulatory body, in accordance with the applicable rules and regulations of such regulatory body.

34.4.3.8 The application of Rule 41 – System Benefits Charge to an EDP Allocation is described in Rule 41.

34.4.4. LOAD FACTOR SHARING:

Load Factor Sharing is the methodology which allocates metered deliveries (demand and energy) between two suppliers (the Company and NYPA) for the purposes of billing. The methodology uses the ratio of the customer's EDP contract demand and the current month's maximum metered demand to apportion both demand and energy between two suppliers for the current month.

34.4.4.1 Determination of Billing Demand and Energy:

The maximum metered fifteen minute demand, as determined in accordance with the provisions of the applicable Service Classification, shall be used as the basis for the determination of NYPA and Company billing demands. NYPA and Company billing energy shall be determined by the application of Load Factor Sharing in each 15 minute interval basis, hereinafter interval. A step by step billing procedure used to calculate NYPA and Company billing determinants is described as follows:

34.4.4.1.1 Calculate the ratio (hereinafter referred to as BILLING DETERMINANT RATIO, BDR) which is used to allocate the present calendar month's demand and energy between NYPA and the Company. The BDR's numerator is the EDP contract demand and the BDR's denominator is the greater of:

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.4 Load Factor Sharing (Continued)

34.4.4.1 Determination of Billing Demand and Energy: (Continued)

34.4.4.1.1 (Continued)

- a) the current month's maximum metered demand; in the case of an EDPR customer served under S.C.No. 3-A, the maximum demand is defined as the non coincident (non-time differentiated) maximum metered fifteen minute demand for the calendar month,
- b) the value (size in kW) of the EDP contract demand.

The calculated BDR value will then be greater than zero and less than or equal to 1.0.

DEMAND:

34.4.4.1.2 Calculate the portion of the peak demand which is identified to have been supplied by NYPA. The apportioned peak demand allocated to NYPA is the mathematical product of the BDR and the current month's maximum metered 15 minute demand according to the parent service classification.

34.4.4.1.3 Calculate the portion of the peak demand which is identified to have been supplied by the Company. The apportioned peak demand supplied by the Company is the difference between the peak demand for the billing period and the EDP allocated demand in Rule 34.4.4.1.2. This is the billing demand for Company load. For those customers served under S.C. No. 3A, the on-peak demand supplied by the Company shall be determined as the difference between the maximum metered on-peak demand supplied in the billing period and the EDP allocated demand determined in Rule 34.4.4.1.2, but in no case less than 0.00.

34.4.4.1.4 Calculate the NYPA billing demand (apply minimum NYPA billing demand). The billed EDP demand is the greater of the allocated peak demand identified in Rule 34.4.4.1.2, or 75% of the EDP contract demand (per Rule 34.4.3.4 above). The billed EDP demand shall not exceed 100% of the EDP contract demand.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.4 Load Factor Sharing (Continued)

ENERGY:

34.4.4.1.5 In each interval, calculate the apportioned NYPA energy. The amount of the interval's total energy deliveries allocated to NYPA is the mathematical product of the BDR and the interval's total energy.

34.4.4.1.6 In each interval, calculate the apportioned Company energy. The amount of the interval's total energy deliveries allocated to the Company is the difference between the interval's total energy deliveries and that which was determined to have been supplied by NYPA in Rule 34.4.4.1.5

34.4.4.1.7 For the billing period, aggregate the apportioned NYPA and Company billing energy. The aggregated billing units for each supplier are the sum of the NYPA and Company billing units for each interval of the billing period.

Calculation of Base Rate Bill:

34.4.4.1.8 For the Billing Period, multiply the NYPA billed demand (determined in Rule 34.4.4.1.4) and aggregated energy units by their respective rates as specified in Rule 34.4.5. below. Multiply the Company peak demand, on-peak demand (where applicable) and aggregated energy units by their respective Standard Tariff Rates as specified within the parent service classification.

34.4.4.1.9 Calculate the customer and RkVA charges for the billing period. The Customer Charge assessed is the Customer Charge of the parent service classification's Standard Tariff Rates plus the incremental service charge as specified in Rule 34.4.5.1.2. RkVA shall be calculated and billed according to the parent service classification's Standard Tariff Rates.

34.4.5 EDPR RATES

34.4.5.1 Program 3 - EDPR participants are subject to the Incremental Customer Charge as specified in 34.1.3.3. The Incremental Customer Charge and the respective parent service classifications for which they apply are as follows:

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.5 EDPR RATES (Continued)

<u>Incremental Customer Charge:</u>	
Parent Service Classification No. 3, except Special Provision L:	\$19.41/mo.
Parent Services Classification No. 3, Special Provision L only:	\$ 6.69/mo.
Parent Service Classification No. 3-A:	\$ 6.69 /mo.

Charges applicable to Existing Allocations as defined in Rule 34.1.6:

Company Charges, per kW*

	<u>Transmission./kW</u>	<u>Distribution Delivery/ kW</u>
Secondary	\$1.89	\$4.96
Primary	\$1.89	\$3.06
Subtransmission	\$1.89	\$1.10
Transmission	\$1.89	\$0.00

* In addition to the above charges, the Company will charge the customer a NYPA Capacity and Energy Charge, in effect at that time, for EDP. In any month, the NYPA Capacity Charge and the NYPA Energy Charge shall be equal to the Capacity and Energy charges which the Company is required to pay to the NYPA for EDP purchased from NYPA in that month, as adjusted by the Company for applicable losses.

Company Charge applicable to New Allocations as defined in Rule 34.1.6:

Charges, per kW and per kWh*

For Parent Service Class SC-3:

	<u>Distribution Delivery/kW</u>	<u>Distribution Delivery/kWh</u>
Secondary	\$10.16	\$0.00000
Primary	\$ 8.64	\$0.00000
Subtransmission	\$ 3.75	\$0.00000
Transmission	\$ 3.71	\$0.00000

For Parent Service Class SC-3A

	<u>Distribution Delivery/kW</u>	<u>Distribution Delivery/kWh</u>
Secondary	\$ 7.66	\$0.00000
Primary	\$ 9.47	\$0.00000
Subtransmission	\$ 4.01	\$0.00000
Transmission	\$ 3.10	\$0.00000

* In addition to the above charges, the Company will charge the customer a NYPA Capacity and Energy Charge, in effect at that time, for EDP. In any month, the NYPA Capacity Charge and the NYPA Energy Charge shall be equal to the Capacity and Energy charges which the Company is required to pay to NYPA for EDP purchased from NYPA in that month, as adjusted by the Company for applicable losses.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.4 Program 3 - Economic Development Power Rider (EDPR)

34.4.5 EDPR RATES (Continued)

RkVA Charge: Applicable to Existing Allocations and New Allocations. All reactive demand is provided by Niagara Mohawk generating sources, and therefore billed at the parent service classification's reactive demand rate.

34.4.5.2 Rates and Charges

Minimum Charge shall consist of the following components.

1. The customer charge of the parent service classification, and
2. The incremental customer charge.

Incremental Customer Charge:

Parent Service Classification No. 3, except Special Provision L:	\$19.41/mo.
Parent Service Classification No. 3, Special Provision L only:	\$ 6.69/mo.
Parent Service Classification No. 3-A:	\$ 6.69/mo.

34.4.6 EDPR Special Provisions

34.4.6.1 Customers receiving service under Program 3 EDPR may request combined service under Rule 34.5 (Power For Jobs Rider). Customers shall be billed according to the Load Factor Sharing Provision as described in Rule 34.5.4.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.5 Program 4 - Power For Jobs Rider

34.5.1 Eligibility Criteria

34.5.1.1 Applicant or customer who qualifies must take service under and in accordance with the provisions (except as expressly provided herein) of Service Classification Nos. 2D, 3, 3-A, 4, 11 or 12 hereinafter referred to as the parent service classification, and

34.5.1.2 Customer's revitalization and expansion load requirements will be administered in accordance with New York State Economic Development Law, Article 6, Sections 184, 185 and 187, Public Authority's Law, as amended by Chapter 316 of the New York Laws of 1997 and the regulations of the Power Authority of the State of New York.

34.5.1.3 Applicant must complete the subscription procedure as described in Section 34.5.2.

34.5.2 Subscription Procedure

34.5.2.1 Applicant must apply to NYPA on forms provided by NYPA, and application must include written approval from the New York State Economic Development Power Allocation Board and the NYPA's Trustees regarding their PFJR allocation, and;

34.5.2.2 The Completed application shall include written verification of NYPA trustees award specifically stating:

34.5.2.2.1 delivery date;

34.5.2.2.2 delivery amount;

34.5.2.2.3 characterization of award: load growth or load retention, and

34.5.2.2.4 statement of eligibility from NYPA

34.5.2.3 All PFJR Service provided under this Program must be transmitted and delivered to the Company's distribution system pursuant to the provisions of the NYISO Tariff filed with and accepted by the Federal Energy Regulatory Commission, as that NYISO Tariff may be changed or modified from time to time.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.5 Program 4 - Power For Jobs Rider

34.5.2 Subscription Procedure (Continued)

34.5.2.4 The Company will commence PFJR service effective the first day of the next calendar month for an existing Electric Service customer with interval metering, provided that the fully executed and signed Agreement between the customer and NYPA is received three business days prior to the twentieth of the immediately prior calendar month. For customers that do not have existing interval meters in place, PFJR service will commence the first day of the next calendar month only if the Agreement has been received by the fifth business day of the immediately prior calendar month and the interval metering is in service before the first day of the next calendar month.

34.5.3 Billing Methodology:

34.5.3.1 The billing period for customers served under Program 4 shall be the calendar month. When a customer's eligibility for Program 4 expires, that customer shall revert back to the billing period of the applicable service classification as specified by the Company.

34.5.3.2 In the event that NYPA is unable to deliver in any billing period any portion or all of the PFJR power to the Company as contracted for, each customer shall have his contract lowered by the amount of reduced deliveries, allocated on a prorata basis across all current PFJR contract demands. All such load not delivered and subsequently replaced with load supplied by the Company shall be billed according to the rates and provisions of the Service Classification applicable to the customer's load served by the Company during the periods of the reduced deliveries.

34.5.3.3 For customers electing service under Program 4 (PFJR), the Company will use a default billing methodology based upon a First Through the Meter ("FTM") algorithm. The FTM algorithm allows customers to maximize the use of their PFJR allocation in each interval of the billing period.

Alternatively, customers may elect an alternate billing methodology based upon a Load Factor Sharing ("LFS") algorithm. Customers who would like to receive their PFJR allocation based upon an LFS algorithm must provide a written request to the Company by June 1, 2002 or by November 1 of the calendar year immediately preceding a scheduled competitive transition charge ("CTC") reset period.

Customers requesting service under the Load Factor Sharing methodology ("LFS") will be served using the LFS methodology in the first full billing period following the Company's receipt of such a request and shall remain in effect for a calendar year and continuously thereafter until a subsequent written request is provided by the customer to the Company indicating their desire to be billed using the FTM algorithm.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS (Continued)

34.5 Program 4 - Power For Jobs Rider

34.5.3 Billing Methodology:

34.5.3.4 Customers that are subject to Load Factor Sharing and who also receive a PFJR allocation(s) shall be billed for PFJR service according to their existing NYPA Load Factor Sharing methodology, provided however, that if the customer's right to receive NYPA Power under some other Load Factor Sharing methodology terminates during the term of its PJF allocation, the customer shall thereafter be billed according to the FTM methodology for PFJR service contained in Rule 34.5.4.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.3 Billing Methodology (Continued)

34.5.3.5 Customers served under Program 4 PFJR, are subject to the following Rules of this Schedule:

34.5.3.5.1 PFJ allocations under this PFJ program shall be exempt from Rule 41 – System Benefit Charge, unless the customer elects to participate in Rule 41 with respect to such PFJ allocation, as provided in Rule 41.

34.5.3.5.2 Rule 32, Increase in Rates Applicable in Municipality Where Service is Supplied, shall be applied to the total billing amount.

34.5.3.6 The Company has the right to revise the PFJR rates through a filing with the appropriate regulatory body, in accordance with the applicable rules and regulations of such regulatory body.

34.5.4 LOAD FACTOR SHARING: (ELECTED METHODOLOGY)

Load Factor Sharing is the methodology which allocates metered deliveries (demand and energy) between two sources of supply (in this instance, the Company and PFJR Service furnished by NYPA) for the purposes of billing. The methodology employed in this Rule 34.5.4 uses the ratio of the customer's PFJR contract demand and the customer's maximum metered demand in the billing period to apportion both demand and energy between two generating sources for the current month.

34.5.4.1 Determination of Billing Demand and Energy:

The maximum metered fifteen minute demand (30 minute for SC-4) in the current billing period, as determined in accordance with the provisions of the applicable Service Classification, shall be used as the basis for the determination of NYPA and Company billing demands. NYPA and Company billing energy shall be determined by the application of Load Factor Sharing on each 15 minute (30 minute for SC-4) interval basis, hereinafter interval. A step by step billing procedure used to calculate NYPA and Company billing determinants is described as follows:

34.5.4.1.1 Calculate the ratio (hereinafter referred to as BILLING DETERMINANT RATIO, BDR) which is used to allocate the present calendar month's demand and energy between NYPA and the Company. The BDR's numerator is the PFJR contract demand and the BDR's denominator is the greater of:

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.4 LOAD FACTOR SHARING (Continued)

- a) the customer's maximum metered demand in the billing period; in the case of a PFJR customer served under S.C.No. 3-A, the maximum demand is defined as the non coincident (non-time differentiated) maximum metered fifteen minute demand.
- b) the value (size in kW) of the PFJR contract demand.

The calculated BDR value will then be greater than zero and less than or equal to 1.0.

DEMAND:

34.5.4.1.2 Calculate the portion of the customer's peak demand which is identified to have been met by PFJR Service furnished by NYPA. The apportioned peak demand allocated to NYPA is the mathematical product of the **BDR** and the current month's maximum metered 15 minute (30 minute for SC-4) demand according to the parent service classification. This amount shall be considered to be the NYPA billing demand.

34.5.4.1.3 Calculate the portion of the peak demand which is identified to have been delivered by the Company. The apportioned peak demand delivered by the Company is the difference between the peak demand for the billing period and the PFJR allocated demand in 34.5.4.1.2. This is the billing demand for Company load. For those customers served under S.C. No. 3A, the on-peak demand supplied by the Company shall be determined as the difference between the maximum metered on-peak demand supplied in the billing period and the PFJR allocated demand determined in Rule 34.5.4.1.2, but in no case less than 0.00.

ENERGY:

34.5.4.1.4 In each interval, calculate the apportioned NYPA energy. The amount of the interval's total energy deliveries allocated to NYPA is the mathematical product of the **BDR** and the interval's total energy deliveries.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.4 LOAD FACTOR SHARING: (Continued)

34.5.4.1 Determination of Billing Demand and Energy (Continued)

34.5.4.1.5 In each interval, calculate the apportioned Company energy. The amount of the interval's total energy deliveries allocated to the Company is the difference between the interval's total energy deliveries and that which was determined to have been generated by NYPA in 34.5.4.1.5

34.5.4.1.6 For the billing period, aggregate the apportioned NYPA and Company billing energy. The aggregated billing units for each account are the sum of the NYPA and Company billing units for each interval of the billing period.

Calculation of Base Rate Bill:

34.5.4.1.7 For the Billing Period, multiply the NYPA billing demand and aggregated energy units by their respective administered rates as specified in 34.5.6 below. Multiply the Company peak demand, on-peak demand (where applicable) and aggregated energy units by their respective administered rates as specified within the parent service classification.

34.5.4.1.8 Calculate the customer and RkVA charges for the billing period. The Customer Charge assessed is the Customer Charge of the parent service classification plus the incremental service charge (described in 34.1.3.3) as specified in 34.5.6. RkVA shall be calculated and billed according to the parent service classification.

34.5.5 FIRST THROUGH THE METER METHODOLOGY (DEFAULT METHODOLOGY):

First Through The Meter is the default billing methodology for the Power For Jobs Program. The customer's metered deliveries (demand and energy) are allocated between two sources of supply (in this instance, PFJR service and Company supplied service) for the purposes of billing. The billing methodology employed in this Rule 34.5.5 allows customers to maximum use of PFJR allocation in each interval of the Billing Period.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.5 FIRST THROUGH THE METER METHODOLOGY (DEFAULT METHODOLOGY):

34.5.5.1 Determination of Billing Demand and Energy:

PFJR service is provided and billed on a demand and energy basis. The customer's electric usage is evaluated in each interval (fifteen minute interval for all service classes except SC-4 which is evaluated on a 30 minute interval) to determine how much of the service in each interval is provided by PFJR and how much is provided by the Company. In each interval of the billing period, the entire PFJR allocation is made available to the customer. The PFJR demand and energy shall be determined according to the following procedure.

DEMAND:

34.5.5.1.1 Determine PFJR Demand Quantity:

The customer's maximum metered demand for PFJR power in any billing period shall be the lesser of:

The customer's allocation of PFJR power as authorized under the Tariff for delivery to the Premises, adjusted for losses in transmission, distribution and delivery to the Premises; or

The customer's maximum 15 minute (30 minute for SC-4) integrated demand as measured by the Company's meters at the Premises.

34.5.5.1.2 Determine the Company supplied Demand Quantity:

The customer's maximum metered demand for power supplied by the Company shall be determined by subtracting the customer's maximum metered demand for PFJR power as determine in Rule No. 34.5.5.1.1 above from the customer's maximum 15 minute integrated demand for that month as reflected on the Company's meters at the Premises.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

ENERGY:

34.5.5.1.3 Determine PFJR Energy in each interval

The customer's metered receipts of electric energy in kWh shall be apportioned between PFJR power ("PFJR Energy") and Company power ("Company supplied Energy") as follows.

In each 15 minute billing interval (30 minute interval for S.C. No. 4) in the Billing Period, the customer's receipts of PFJR Energy shall be the lesser of:

The energy associated with the contract allocation of PFJR power at a 100 percent load factor for delivery to the Premises, or

The customer's total receipt of energy from all sources during the interval as measured by the Company's meters at the Premises.

34.5.5.1.4 Determine the Company supplied Energy in each interval

The Energy supplied by the Company in each interval shall be determined as the total energy received by the customer in the interval minus the PFJR Energy as determined in Rule No. 34.5.5.1.3 above.

Calculation of Base Rate Bill:

34.5.5.1.5 For the Billing Period, multiply the PFJR billing demand and aggregated PFJR energy units by their respective administered rates as specified in Rule No. 34.5.6 below. Multiply the Company supplied maximum demand, maximum on-peak demand (where applicable) and aggregated Company supplied energy units by their respective administered rates as specified within the parent service classification.

34.5.5.1.6 Calculate the customer and RkVA charges for the billing period. The Customer Charge assessed is the Customer Charge of the parent service classification plus the incremental service charge (described in Rule No. 34.1.3.3) as specified in Rule No. 34.5.6. RkVA shall be calculated and billed according to the parent service classification.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.6 PFJR RATES

34.5.6.1 Program 4 - PFJR participants are subject to the Incremental Customer Charge as specified in 34.1.3.3. The Incremental Customer Charges and the respective parent service classifications for which they apply are as follows:

Parent Rate SC-2D and SC-3 (except Special Provision L):	\$19.41 /mo.
Parent Rate SC-3, Special Provision L only:	\$ 6.69 /mo
Parent Rate SC-3A or SC-4	\$ 6.69 / mo.

Company Demand and Energy Charges (for PFJR power delivered to customers)

Charges applicable to Existing Allocations as defined in Rule 34.1.6:

Company Charges, per kW and per kWh:

	<u>Transmission/kW</u>	<u>Distribution Delivery</u> <u>Per kW</u>	<u>Per kWh</u>
Secondary	\$1.89	\$4.96	\$0.000000
Primary	\$1.89	\$3.06	\$0.000000
Subtransmission	\$1.89	\$1.10	\$0.000000
Transmission	\$1.89	\$0.00	\$0.000000

Charges Applicable to New Allocations as defined in Rule 34.1.6:

Company Charges, per kW and per kWh:

	<u>Distribution Delivery</u> <u>Per kW</u>	<u>Per kWh</u>
SC-2D	\$10.10	\$0.00118
SC-3 Secondary	\$10.16	\$0.00000
SC-3 Primary	\$ 8.64	\$0.00000
SC-3 Subtransmission	\$ 3.75	\$0.00000
SC-3 Transmission	\$ 3.71	\$0.00000
SC-3A Secondary	\$ 7.66	\$0.00000
SC-3A Primary	\$ 9.47	\$0.00000
SC-3A Subtransmission	\$ 4.01	\$0.00000
SC-3A Transmission	\$ 3.10	\$0.00000

RkVA: Applicable to Existing Allocations and New Allocations. All reactive demand is billed at the parent service classification's reactive demand rate.

In addition to the above charges, the Company will charge the customer a NYPA Capacity and Energy charge, in effect at that time, for PFJR Service. In any month, the NYPA Capacity Charge and the NYPA energy charge shall be equal to the capacity and energy charges which the Company is required to pay to NYPA for PFJR power purchased from NYPA in that month, as adjusted by the Company for applicable losses.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

Calendar Month Minimum Charge:

The minimum charge consists of the following components:

- 1) The customer charge of the parent service classification.
- 2) The incremental customer charge as stated above;
- 3) The bundled commodity and transmission charges billed by NYPA and incurred by the Company on the customer's behalf.

The Company shall use the Customer's peak demand requirements in the billing period when determining the application of the S.C. No. 3 Minimum Demand Charges or the S.C. No. 2D Monthly Minimum Charge. To the extent that the peak demand requirements recorded in the billing period exceed the minimum demand requirements as provided within the rate schedules of the parent service classification, the Company shall not assess the Minimum Demand or Monthly Minimum Charge.

34.5.7 PFJR SPECIAL PROVISION

In a billing period where the customer's parent service classification is S.C. No. 3 and the customer uses less than 40 kW of demand, the actual demand used will be priced at the Company Demand Charge for the applicable voltage level stated in Rule 34.5.6.1 and the demand residual representing the difference between minimum demand of 40 kW and the amount actually used will be priced at the applicable voltage level Demand Charge stated under Monthly Rate of S.C. No. 3.

34.5.7.1 In addition to the rates described in Rule 34.5.6.1 above, the Company shall be entitled to receive a loss adjustment from NYPA to reflect losses in distribution as provided in a written agreement between the Company and NYPA. The distribution losses shall be implemented as part of the gross-up of metered load in the NYISO settlement process.

34.5.7.2 Customers receiving service under Program 4 PFJR and who thereafter receive an allocation of NYPA Economic Development Power under Rule 34.4 or who previously qualified for service under Rule 37 - ERIR may request combined service under Rule 34.5. Successfully subscribed customers shall be billed according to the Load Factor Sharing Provision as described in Rule 34.5.4.

GENERAL INFORMATION

34. ECONOMIC DEVELOPMENT PROGRAMS: (Continued)

34.5 Program 4 - Power For Jobs Rider (Continued)

34.5.7 PFJR SPECIAL PROVISIONS (Continued)

34.5.7.2.1 Billing units identified as being NYPA supplied shall be apportioned between the rates for EDPR service specified in Rule 34.4.5 and rates for PFJR Service specified in Rule 34.5.5 according to the ratio of the customer's allocations of EDP and PFJR service to the sum of those allocations.

34.5.7.2.2 Billing units identified as being Company supplied shall be billed according to the provisions specified in Rule 37 - ERIR or the parent service classification, as applicable.

34.5.7.3 No customer may assign its rights to receive service from the Company under this PFJR to any third party:

34.5.7.3.1 Except as authorized by NYPA's Trustees and/or the New York State Economic Development Power Allocation Board; and

34.5.7.3.2 Without the prior written consent of the Company, which consent shall not unreasonably be withheld.

GENERAL INFORMATION

35. CABLE TELEVISION POLE ATTACHMENT RATE AND ELECTRIC DISTRIBUTION POLE WIRELESS ATTACHMENT RATE

35.1 CABLE TELEVISION POLE ATTACHMENT RATE

Effective July 20, 1995, the annual attachment rates to be charged CATV operators for attachment to aerial pole plant of Niagara Mohawk Power Corporation shall be the sum of \$11.13 per equivalent pole. The rate is calculated in accordance with Opinion No. 83-4 issued by the Public Service Commission (Commission) under date of January 31, 1983 in Case No. 26494, as supplemented by Commission Orders issued October 19, 1984 (Errata Notice Issued November 2, 1984) and March 20, 1985 respectively in said Case No. 26494.

35.2 ELECTRIC DISTRIBUTION POLE WIRELESS ATTACHMENT RATE

35.2.1 APPLICABILITY

This Wireless Facilities pole attachment rate applies to Commercial Mobile Radio Service Providers regulated by the Federal Communication Commission (FCC) and New York State certified Telecommunication Carriers ("Wireless Service Provider") attachment of Wireless Facilities to Niagara Mohawk Electric Distribution Poles. Prior to Installation of such Wireless Facilities to Niagara Mohawk Electric Distribution Poles, the Wireless Service Provider shall sign the applicable Addendum to Niagara Mohawk's standard Pole Attachment Agreement ("Addendum"). The Addendum and Pole Attachment Agreement authorize installation of such Wireless Facilities attachments contemplated herein. Associated traditional wire-line (cable) Pole Attachments interconnecting such Wireless Facilities, shall be subject to the terms of Niagara Mohawk's standard electric distribution pole attachment agreement and a separate Pole Attachment fee.

35.2.1.1 The Wireless Facilities attachment fee set forth in Rule 35.2.2.1 shall not apply to other Non-Traditional Pole Attachments, and

35.2.1.2 The Wireless Facilities attachments set forth in Rule 35.2.2.1 shall conform to Niagara Mohawk Standards for wireless attachment to Electric Distribution Poles.

GENERAL INFORMATION

35. CABLE TELEVISION POLE ATTACHMENT RATE AND ELECTRIC DISTRIBUTION POLE
WIRELESS ATTACHMENT RATE (Continued)

35.2.2 WIRELESS FACILITIES - ATTACHMENT TO ELECTRIC DISTRIBUTION POLE
RATE

35.2.2.1 The Wireless Facilities attachment fees charged Wireless Service Providers for attachment of Wireless Facilities to an Electric Distribution Pole are:

35.2.2.1.1 Wireless Attachment Rate A: \$56.60. The attachment fee charged Wireless Service Providers for attachment of Wireless Facilities to an existing Electric Distribution Pole is \$56.60/sole owned pole/year. This rate shall apply to Wireless Facilities attachments not requiring Excess Pole Height to meet the requirements of the Wireless Service Provider.

35.2.2.1.2 Wireless Attachment Rate B: \$115.85 The attachment fee charged Wireless Service Providers for attachment of Wireless Facilities to a National Grid Electric Distribution Pole and such attachment requires Excess Pole Height solely attributable to the requirements of the Wireless Service Provider is \$115.85/sole owned pole/year. This rate shall apply to Wireless Facilities attachments on Electric Distribution Poles up to 100 ft pole length.

35.2.2.2 This Pole attachment fee shall be invoiced annually and payment shall be due within thirty (30) days of invoice. Late fees of 1.5% per month will be applied to all unpaid balances.

GENERAL INFORMATION

36. NET METERING FOR SOLAR AND FARM WASTE ELECTRIC GENERATING SYSTEMS AS DEFINED IN PUBLIC SERVICE LAW ("PSL") 66-j

36.1 Applicable to:

36.1.1 Residential customers who own or operate Solar Electric Generating Equipment with a rated capacity of no more than twenty-five kilowatts (25 kW) located and used at his or her residence.

36.1.2 Non-residential customers who own or operate Solar Electric Generating Equipment located and used and its premises, with a rated capacity of:

(1) Non-demand, non-residential customers with a rated capacity of 12 kW or less.

(2) Demand metered, non-residential customers with a rated capacity of:

(a) Not more than the lesser of two thousand kilowatts (2000 kW) or customer's peak load as measured over the prior twelve month period; or

(b) In the case that such twelve month period of measurement is not available, then as determined by the Company based on its analysis of comparable facilities. The customer may accept the Company's analysis of rated capacity, or may petition the Public Service Commission for a determination of the rated capacity that may be installed.

36.1.3 Customers who own or operate Farm Waste Electric Generating equipment, as defined in Public Service Law ("PSL") Section 66-j, with a rated capacity of not more than five hundred (500) kW, located and used at his or her "farm operation" as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, that is fueled by:

(1) Ninety (90) percent on an annual basis by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues and livestock and food processing waste; and,

(2) By biogas generated by anaerobic digestion with at least fifty (50) percent by weight of its feedstock being livestock manure materials on an annual basis.

36.2 Qualifying Customers must install and operate the Solar or Farm Waste Electric Generating system in compliance with Rule No. 53 – Standard Interconnection Requirements for New Distributed Generation Units of 2 MW or Less, Connected in Parallel to Utility Distribution Systems as may be from time to time changed, amended and/or supplemented. Qualifying Customers must also complete a Form "K" – Standardized Contract for Interconnection of New Distributed Generation Units With Capacity of 2 MW or Less, Connected in Parallel With Utility Distribution Systems.

36.3 This program will be available to qualifying customers on a first come, first served basis, until the total rated generating capacity for Solar and Farm Waste Electric Generating Equipment owned or operated by the Customer in the Company's service territory is equivalent to **65,360 kW**. (In accordance with PSL 66-j, one-percent of the Company's electric demand for the year 2005.)

GENERAL INFORMATION

36. Net Metering for Solar and Farm Waste Electric Generating Systems (continued)

36.4 Interconnection costs, costs to install a dedicated transformer or transformers, or other equipment deemed necessary to protect the safety and adequacy of electric service to other customers are provided in Rule No. 53, Standard Interconnection Requirements of this tariff.

36.5 The Company will determine if the Customer-Generator requires a single meter that enables the Company to measure net kWh provided to the Company by the Solar or Farm Waste Electric Generating System or if the Customer-Generator requires alternate net metering arrangements.

36.5.1 When the Company requires a second meter to be installed for billing purposes, the Company will be responsible for the cost of the second meter.

36.5.2 When the customer requests installation of a second meter that is not required by the utility for billing purposes, customer will be responsible for the cost of the second meter and comply with the provisions of Rule No. 25.1.2 of this Tariff.

36.6 The Company will employ the following "net energy billing" procedure to establish bills for electric service rendered to the customer by Niagara Mohawk during each monthly or bimonthly billing period. The meter(s) will be read on a monthly or bimonthly schedule in conjunction with the Company's reading of the meter installed to measure deliveries of electric energy to the customer.

36.6.1 In the event that the amount of electric energy supplied by the Company during the billing period exceeds the amount of electric energy provided by the customer to Niagara Mohawk, the Company shall charge the customer the rates provided in the retail rate schedule applicable to the customer for only the difference between these two amounts.

36.6.2 In the event that the amount of electric energy provided by customer to Niagara Mohawk in any billing period exceeds the amount of electric energy supplied by the Company to the customer during that billing period, customer shall be regarded as having received no electric energy (in kWh) during that billing period.

The Customer-Generator shall receive a credit to its energy consumption on its next bill for service equal to the amount by which its deliveries of electric energy exceed its receipts of electric energy at the same rate per kilowatt hour applicable to service provided to other customers in the same service class who do not generate electricity. Any remaining balance will be carried over to the next billing month and used to offset that month's energy consumption.

36.6.3 For Demand Metered Customer Generators

36.6.3.1 Excess on-site generation shall be converted to its equivalent value at the applicable tariff per kWh rate and applied as a direct credit to the customer's current utility bill for outstanding energy, customer, demand and other charges.

36.6.3.2 In the event that the monthly credits exceed all components of a customer's current bill for services rendered, the remaining credits will be converted back to their kWh values and carried to the proceeding billing month.

GENERAL INFORMATION

36. Net Metering for Solar and Farm Waste Electric Generating Systems (continued)

36.6.3.3 Demand customers will be subject to applicable actual metered demand charges consumed in that billing period. The Company will not adjust the demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff for net metering purposes.

36.6.4 For Residential Solar and Farm Waste Customer Generators

36.6.4.1 At the end of the net metering year (12 month period), as defined as the 12 month period after the effective date of Form "K", and each 12 month period thereafter, any accumulated excess kWh production shall be converted to a cash value and paid to the Customer at the customer's appropriate service classification's annual average avoided cost as calculated under Special Provisions C of S.C. No. 6 of this Tariff.

36.6.5 For Non-Residential Solar Customer Generators

36.6.5.1 Customer-Generators will continue to have any excess kWh production converted to its equivalent value and carried over to each proceeding month on an ongoing basis.

36.6 Solar or farm waste customer-generators may not offset metering credits against bills for usage metered at locations other than the net metering delivery point

GENERAL INFORMATION

37. NET METERING FOR RESIDENTIAL, FARM SERVICE AND NON-RESIDENTIAL WIND ELECTRIC GENERATING SYSTEMS AS DEFINED IN PUBLIC SERVICE LAW ("PSL") 66-L.

37.1 Applicable to :

37.1.1 Residential Customer-Generators who own or operate one or more wind electric generators with a combined rated capacity of not more than twenty-five kilowatts (25 kW).

37.1.2 Farm Based Customer-Generators who own or operate wind electric generating equipment located and used on land used in agricultural production as defined in subdivision four of Section 301 of the Agriculture and Markets Law and which is also the location of the customer's primary residence, with a combined rated capacity of not more than 500 kilowatts (500 kW).

37.1.3 A non-residential non-demand metered Customer-Generator which owns or operates wind electric generating equipment located and used at its premises with a combined rated capacity of twelve kilowatts (12 kW) or less.

37.1.4 A non-residential demand metered Customer-Generator which owns or operates Wind Electric Generating Equipment located and used at its premises with a combined rated capacity of the lesser of two thousand kilowatts (2000 kW) or the customer's peak load as measured over the prior 12 month period. In the case that such twelve month period is not available, the Company will make the determination based on its analysis of comparable facilities. The customer may accept the Company's analysis of rated capacity, or may petition the Public Service Commission for a determination of the rated capacity that may be installed.

37.2 Qualifying Customers must install and operate Wind Electric Generating Equipment in compliance with Rule No. 53 – Standard Interconnection Requirements and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR") as may be amended from time to time changed, amended, and/or supplemented. Qualifying Customers must also complete a Form "K"-Standardized Contract for Interconnection of New Distributed Generation Units With Capacity of 2 MW or Less Connected in Parallel with Utility Distribution Systems.

37.3 This program will be available to qualifying customers on a first come, first served basis, until the total rated generating capacity for Wind Electric Generating Equipment in the Company's service territory is equivalent to 19,608 kW. (In accordance with PSL 66-l, three-tenths percent of Niagara Mohawk's electric demand for the year 2005.)

37.4 Interconnection Costs, costs to install a dedicated transformer or transformers, or other equipment deemed necessary to protect the safety and adequacy of electric service to other customers are provided in Rule No. 53, SIR of this tariff.

GENERAL INFORMATION

37. NET METERING FOR RESIDENTIAL, FARM SERVICE AND NON-RESIDENTIAL WIND ELECTRIC GENERATING SYSTEMS AS DEFINED IN PUBLIC SERVICE LAW ("PSL") 66-L.

37.5 The Company will determine if the Customer-Generator requires a single meter that enables the Company to measure net kWh provided to the Company by the Wind Electric Generating Equipment or if the Customer-Generator requires alternate net metering arrangements. In the event that:

37.5.1 The Company requires a second meter as part of an interconnection but not necessary for safety and adequacy of service, the costs of such meter installation will be considered to be interconnection costs pursuant to Rule No. 53 – Standard Interconnection Requirements.

37.5.2 The customer requests installation of a second meter that is not required by the utility for interconnection, the customer will be responsible for the cost of the second meter and comply with the provisions of Rule 25.1.2 of the Tariff.

37.6 The Company will employ the following "net energy billing" procedures to establish bills for electric service rendered to the customer-generator by Niagara Mohawk during each monthly or bimonthly billing period. The meter(s) will be read on a monthly or bimonthly schedule in conjunction with the Company's reading of the meter installed to measure deliveries of electric energy to the customer.

37.6.1 In the event that the amount of electric energy supplied by the Company during the billing period exceeds the amount of electric energy provided by the Customer-Generator, the Company shall charge the customer the rates provided in the retail rate schedule applicable to the customer for only the difference between these two amounts.

37. NET METERING FOR RESIDENTIAL, FARM SERVICE AND NON-RESIDENTIAL WIND ELECTRIC GENERATING SYSTEMS AS DEFINED IN PUBLIC SERVICE LAW ("PSL") 66-L

37.6.3 Residential Wind and Farm Service Wind Customer-Generators- At the end of the net metering year (12 month period), as defined as the 12 month period after the effective date of Form "K", and each 12 month period thereafter, any accumulated excess kWh production shall be converted to a cash value and paid to the Customer-Generator at the customer's appropriate service classification's annual average avoided cost as calculated under Special Provision C of S.C. No. 6 of this tariff.

37.6.4 Non-Residential Wind Customer-Generators will continue to have any excess kWh carried over each proceeding month in accordance with Rule No. 37.6.2.1 and Rule No. 37.6.2.2 above.

37.6.5 For a Customer-Generator who has Solar, Farm Waste and/or Wind Electric Generating Equipment installed at the same location, the total combined rated capacity of these electric generating systems shall not exceed the limits set forth in Rule No. 37.1. The Company will review these net metering arrangements on a case by case basis to determine the interconnection and generation requirements that best accommodate the net metering arrangement presented by the Customer.

37.8 In the event that the total rated generating capacity of residential and/or farm service electric wind generating equipment that provides electricity through the same local feeder line exceeds 20 percent (20%) of the rated capacity of the local feeder line, the Company may require the customer to comply with reasonable measures to ensure the safety of the local feeder line.

37.9 Wind customers may not offset metering credits against bills for usage metered at locations other than the net metering delivery point.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM

38.1 PROGRAM DESCRIPTION

The Renewable Energy Marketing Program is a voluntary program in which the Company's customers may elect to receive renewable energy service options from independent Renewable Energy Service Providers meeting eligibility criteria hereafter referred to as "Green ESCos". The purpose of this program is to spur the development of renewable energy generation resources and the sale of renewable energy in the Company's service territory.

38.2 CUSTOMER ELIGIBILITY

38.2.1 All customers served under P.S.C.No.220 Service Classification Nos. 1, 1-C, 2, 3, 3A, 4, 11 and 12 and all customers taking service under P.S.C. No. 214 are eligible to participate in this program if they take their electricity supply service from the Company. Customers participating in the Company's Retail Access Program-Rule 39 are not eligible to participate in this program unless they elect to voluntarily terminate participation in the Retail Access Program.

38.2.2 The portion of a customer's load provided by NYPA under Economic Development Power (EDP), Power For Jobs (PFJ), Replacement and Expansion Power Programs is not eligible for the Renewable Energy Marketing Program.

38.3 GREEN ESCo ELIGIBILITY

38.3.1 To participate in the Renewable Energy Marketing Program as a Green ESCo, a renewable energy service provider must sign a Company prescribed form stating that they will comply with all the provisions of this Tariff and any written agreements between the Green ESCo and the Company. The Green ESCo must also meet the following requirements, as applicable at all times:

38.3.1.1 The Green ESCo has complied with all the oversight requirements as set forth in Opinion 97-5 dated May 19, 1997 as may be amended or superseded by the PSC from time to time. The Green ESCo must notify the DPS at any time of any material change in information previously submitted to the DPS, and

38.3.1.2 The Green ESCo must cooperate with the Company such that the Company can complete the necessary Conversion Transactions.

38.4 ENROLLMENT GUIDELINES

38.4.1 A customer desiring to take service under the Renewable Energy Marketing Program will select an eligible Green ESCo and will provide the Green ESCo with the necessary enrollment information.

38.4.2 The Green ESCo will submit the customer's enrollment information to the Company. At minimum, the Green ESCo will provide the customer's current account number, and the customer's selected renewable energy service option as described in Rule 38.5.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM (Continued)

38.4 ENROLLMENT GUIDELINES (Continued)

38.4.3 The Company must receive the information required in Rule 38.4.2 at least 15 calendar days prior to the next regularly scheduled meter reading. Enrollment in the program will not be deemed effective until the date the Company obtains its next meter reading of the customer's meter according to the Company's regularly scheduled reading date for such customer.

38.4.4 A customer can only contract with one Green ESCo at a time to receive a renewable energy service option for an individual electric account. When two or more meters at a single location are combined and a customer is billed for total use as an individual electric account, in accordance with Rule 25.1.4.3, only one Green ESCo may provide renewable energy service to that individual electric account.

38.5 RENEWABLE ENERGY SERVICE OPTIONS

38.5.1 Each participating Green ESCo shall be allowed to offer customers a reasonable number of renewable energy service options. These options may include the following:

38.5.1.1 Block Energy Service Options whereby a Green ESCo provides customers blocks of renewable energy. The size of the individual blocks will be determined by the Green ESCo. For these options, the quantity of renewable energy provided would be the lesser of the block amount or billed consumption.

38.5.1.2 Percentage of Energy Consumption Options whereby a Green ESCo provides renewable energy at twenty-five percent (25%), fifty percent (50%), or up to 100% of a customer's total billed consumption for any given month. For these percentage energy options, the percentage of renewable energy provided would not be less than 25%.

38.5.2 The Green ESCo shall provide, for each customer enrolled, the specific details related to the service option chosen at the time of enrollment.

38.6 BILLING SERVICE, PAYMENT AND REMITTANCE

38.6.1 The Company shall perform all billing services for renewable energy service options as specified by the Green ESCo in the enrollment process consistent with the Public Service Commission's Uniform Business Practices specified in Appendix A of the "Order Establishing Uniform Retail Access Billing and Payment Processing Practices" in Case Nos. 99-M-0631 and 98-M1343, issued and effective May 18, 2001 as may be modified by the Commission from time to time. The Company shall include the Green ESCo's price for the specific renewable energy option on the Electricity Supply portion of a customer's bill.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM (Continued)

38.6 BILLING SERVICE, PAYMENT AND REMITTANCE (Continued)

38.6.1.1 The Green ESCo will be required to enter into an Agreement with the Company that contains mutually acceptable terms and conditions governing the rights and obligations of the parties prior to including any renewable energy premiums on the Electricity Supply portion of the Company's bill. This agreement will include, but not be limited to the following: Payments between the Company and the Green ESCo, the purchase of the Green ESCo's Accounts Receivable, any and all charges for providing the billing service, and allocation of partial customer payments.

38.7 CONVERSION TRANSACTIONS

38.7.1 Except for products based on blocks of capacity, each calendar month, the Company will report to each Green ESCo the quantity of renewable energy service in kWh purchased by the Green ESCo's customers for the previous billing month.

38.7.1.1 To determine the loads for those customer's without interval meters, the Company will utilize the representative service class Load Shapes (reflecting voltage delivery level) and determine customer loads in a manner similar to the methodology used for NYISO reporting.

38.7.2 In each quarter, the Green ESCo will provide to the Company Conversion Transaction Agreements from renewable generators containing sufficient commitments to support the necessary conversion transactions.

38.7.2.1 The Company will convert an equal amount of the Company's spot market purchases through conversion transactions to support the Green ESCo's renewable energy service purchases. The Company and the generator will report the results of the actual amounts converted to the Administrator which is the Department of Public Service.

38.7.2.2 If the ESCo provides less or more Conversion Transactions Agreements than those that were billed in Rule 38.7.1, the Company shall convert an amount of kWh of the Company's spot market purchases equal to the amount of Conversion Transaction Agreements actually provided by the Green ESCo. Based upon the results of the conversion transactions, the Administrator will report to the Company its aggregate fuel mix and emission data.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM (Continued)

38.8 PREPARATION AND MAILING OF ENVIRONMENTAL DISCLOSURE STATEMENTS

38.8.1 For environmental disclosure purposes, the Company will allocate the converted renewable energy to the participating customers and calculate, or assign the Green ESCo the responsibility to calculate, the environmental disclosure labels based on the actual amount of kWh converted as set forth in Rule 38.7.

38.8.2 If the Green ESCo has not arranged sufficient Conversion Transactions Agreements to cover actual purchases by their customers, the disclosure mix for the affected customers will be calculated based on the actual conversion transactions made by the Company and provided for by the Green ESCo. Application of any deficiencies by service class will be made as agreed to in advance between the Company and the Green ESCo.

38.2.2.1 The Company will not be responsible to the customer for any shortfall between the quantity of renewable energy service billed and the actual renewable energy service provided.

38.2.2.2 The Green ESCo is responsible to, and shall respond to all customer inquiries and make any necessary refunds that result from a shortfall in purchases of renewable energy.

38.8.3 Environmental disclosure statements for customers participating in the Renewable Energy Marketing Program will be provided as separate mailing for which the Green ESCo will be responsible for all the associated costs of preparation and mailing.

38.8.3.1 The environmental disclosure statements to customers participating in this program will be based upon the actual conversion transactions arranged by the Green ESCo.

38.8.3.2 At the option of the Green ESCo, environmental disclosure statements for customer served under P.S.C. No. 220 Service Classifications No. 1, 1C, 2, SC-3, Small SC-4 (<2MW) and all customers taking service under P.S.C. No. 214 will be calculated based on either individual consumption or class average consumption data based upon blocks of energy (kWh) or capacity. Green ESCos selecting class average consumption statements must propose specific classes or groups of customers and block structure to the Company and the Public Service Commission to ensure that a statement on the proposed average will provide customers with a reasonable level of precision.

38.8.3.3 Environmental disclosure statements for SC-3A and SC-4 (>2MW) will be calculated based upon a customer's actual consumption.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM (Continued)

38.9 SWITCHING

38.9.1 Customers participating in the Renewable Energy Marketing Program may choose to change Green ESCos subsequent to their initial Green ESCo selection.

38.9.2 Customers may discontinue participation in the Renewable Energy Marketing Program at any time provided the Company is notified at least fifteen (15) calendar days before the customer's regular meter reading date. The change will occur on the regular scheduled meter reading date.

38.9.3 There are no restrictions on the frequency of switches except as may result from the notice period requirements or as may be specified in agreements between Green ESCos and customers.

38.10 DISCONTINUANCE OF GREEN ESCo PARTICIPATION

38.10.1 The Company may discontinue a Green ESCo's participation in the Renewable Energy Marketing Program if the following conditions exist:

38.10.1.1 The Green ESCo fails to arrange for Conversion Transactions Agreements for the Company in an amount of renewable kWh equal to the renewable kWh billed by the Company for the renewable energy service provided by the Green ESCo over the current and prior three quarters unless such a deficiency is cured within the following quarter.

38.10.1.2 The Green ESCo fails to comply with the terms and conditions of the Tariff or with any agreements entered into by the Company with the Green ESCo in connection with the Renewable Energy Marketing Program.

38.11 LIMITATION OF LIABILITY

38.11.1 The Green ESCo agrees to indemnify and hold the Company harmless for all costs, penalties, fines, or other expenses associated with its failure to arrange for Conversion Transaction Agreements equal to its billings to the Company's customers, including without limitation, claims by the Green ESCos customers, or by the Commission associated with the compliance with the Commission's environmental disclosure requirements.

38.11.2 Any discontinuance or termination of a Green ESCo's participation in the Renewable Energy Marketing Program shall be without any liability to the Company.

GENERAL INFORMATION

38. RENEWABLE ENERGY MARKETING PROGRAM (Continued)

38.12 SPECIAL PROVISION

38.12.1 The Company reserves all of its rights and remedies in connection with customers who are delinquent in sums owed to the Company for Company charges or who have otherwise failed to comply with their obligations under the Tariff. The Company agrees to provide the Green ESCo with notice of the Company's disconnection of any customer for non-payment or for other violations of the Tariff on the day after the Company effectuates a disconnection. The Company shall have no liability whatsoever to the Green ESCo for any loss of revenue or any other losses or damages resulting from the Company's disconnection of the customer. The Company will continue to comply with all provisions of the Public Service Commission's rules in 16NYCRR as applicable for any service termination.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM

The Retail Access Program is defined as the transmission, distribution and delivery by the Company to the customer of electricity furnished by the customer or by a third party on the customer's behalf pursuant to the provisions of this Rule, this Tariff, and the NYISO Tariff. The Company and ESCo are governed by this Rule, as well as by the requirements set forth in the Public Service Commission's Uniform Business Practices ("UBP"), in Case No. 98-M-1343, issued and effective October 27, 2008, incorporated as Addendum No. 8 of this Tariff, which may be modified from time to time. These requirements include the rights and responsibilities which are governed under the Home Energy Fair Practices Act ("HEFPA"), Public Service Law, Article 2.

39.1 PURPOSE

This Rule governs (1) Delivery Service to customers who purchase electric energy and capacity from an ESCo or on their own behalf as Direct Customers; and (2) participation of ESCos/Direct Customers in the Company's Retail Access Program. Delivery Service is defined as the transmission and distribution of electricity to a customer, which may be subject to the recovery of Competitive Transition Charges.

39.2 RETAIL ACCESS CUSTOMER ELIGIBILITY

39.2.1 All customers are eligible to purchase energy and capacity as a Direct Customer or from an ESCo provided the ESCo has met eligibility requirements set forth in Section 2 of the UBP.

39.2.2 To be eligible to be a Direct Customer, a customer must meet the criteria set forth in Section 1 of the UBP.

39.2.3 If a customer has any portion of its electricity requirements provided on unmetered service under this Tariff or receives 25 Hertz service, both services will not be eligible to participate in the Retail Access Program.

39.3 ESCO/DIRECT CUSTOMER ELIGIBILITY REQUIREMENTS

39.3.1 Appendix A, Section 2 of the UBP sets forth the process that an applicant is required to follow for a DPS finding of eligibility to sell electricity as an ESCo, that an ESCo is required to maintain eligibility, and that the Company must follow for discontinuance of an ESCo or Direct Customer participation in this program.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.4 CREDITWORTHINESS

39.4.1 Appendix A, Section 3 of the UBP establishes the creditworthiness standards that apply to ESCo's and Direct Customers. In addition, an ESCo/Direct Customer's participation in the Company's Retail Access Program is contingent upon the ESCo/Direct Customer meeting the credit requirements set forth in the NYISO Tariff and continued qualification as a Load Serving Entity.

39.4.2 ESCos are required to provide evidence of creditworthiness to the Company before they will be allowed to request prepayments or security deposits from residential and small commercial customers participating in the Retail Access Program. Residential customers are defined as those customers taking service under Service Classification Nos. 1, 1-B, and 1-C. Small commercial customers are defined as those customers taking service under Service Classification No. 2 (both unmetered and metered demand service).

39.4.2.1 ESCos will be allowed to accept prepayments from customers if they or a Parent Company, if the Parent agrees to act as guarantor for the ESCo, submit the required evidence of a minimum bond rating of "BBB" from S&P, "Baa 2" from Moody's or "BBB" from Fitch.

39.4.2.2 ESCos will be allowed to accept deposits from customers if they or a Parent Company, if the Parent agrees to act as guarantor for the ESCo, submit the required evidence of a minimum bond rating as set forth in Rule 39.4.2.1, or an escrow account, or a letter of credit from an "A" rated financial institution.

39.4.2.3 ESCos are required to maintain records of customer deposits and prepayments. ESCos should be prepared to make this information available for inspection upon request by the Public Service Commission. The ESCos should be prepared to file a report in the manner and form requested by the Public Service Commission.

39.4.2.4 ESCos are required to provide notice to a new customer before the customer makes a deposit or prepayment with the ESCo. ESCos shall notify existing customers before the customer makes a deposit or prepayment with the ESCo by providing copies of revised disclosure statements and/or contracts that contain the information in the notice. ESCos must file an example of the revised disclosure statements and/or contract with the Public Service Commission prior to providing it to customers.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.4 CREDITWORTHINESS (Continued)

39.4.2.4.1 The information in the notice and revised disclosure statements and/or contracts would include the following:

- 1) A description of the credit evidence, escrow account, or letter of credit evidence submitted by the ESCo as set forth in Rules 39.4.2.1 and 39.4.2.2;
- 2) Applicable interest rate, if any;
- 3) Conditions of use of customer funds;
- 4) Circumstances that allow the use of funds for payment of customer bills;
- 5) Conditions for return of funds to customers.

39.4.2.5 Any transfers obtained by the Company Under Rule 2.3 will be prohibited. The Company will continue to administer its deposit policy in accordance with Rule 2.3 of the Tariff.

39.5 LOAD BALANCING

The ESCo/Direct Customer shall be responsible for compliance with all of the provisions of the NYISO Tariff that are applicable to Load Serving Entity's ("LSE").

39.6 CHANGES IN SERVICE PROVIDERS

39.6.1 Appendix A, Section 5 of the UBP establishes practices for receiving, processing and fulfilling requests for changing a customer's ESCo and for obtaining a customer's authorization for such a change.

39.7 CUSTOMER INQUIRIES

Appendix A, Section 6 of the UBP establishes requirements for responses by an ESCo or the Company to retail access customer inquiries.

39.8 RATES TO BE PAID BY CUSTOMERS PARTICIPATING IN THE RETAIL ACCESS PROGRAM

39.8.1 All customers participating in the Retail Access Program will pay unbundled Transmission and Distribution charges and non-bypassable Competitive Transition Charges (CTC) to the extent applicable. Each customer is subject to the above mentioned unbundled rates and charges as set forth in the customer's otherwise applicable Service Classification or Agreement.

39.8.2 Commercial farms who participated in the Company's Farm and Food Processor Pilot Program as of March 31, 2001 are eligible to receive an interim backout credit of \$.007 per kWh through their first meter reading after October 31, 2001. The backout credit will be reduced to \$.004 per kWh for subsequent meter readings. This rate will remain in effect until modified by Order of the New York State Public Service Commission.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.8 RATES TO BE PAID BY CUSTOMERS PARTICIPATING IN THE RETAIL ACCESS PROGRAM (Continued)

39.8.3 The ESCO/Direct Customer shall be responsible for all charges of the NYISO Tariff which shall include, but not limited to: Transmission Usage Charge ("TUC"), congestion, losses, ancillary services, NTAC, and capacity.

Exceptions to these charges include:

- (1) The Distribution Delivery Charges within each Service Classification Tariff includes the NYISO Tariff Transmission Service Charge for delivery to the RDRP.

39.9 CUSTOMER INFORMATION

39.9.1 Appendix A, Section 4 of the UBP establishes the practices for release of customer information by the Company or MDSP's to ESCos and Direct Customers and identifies the content of the information sets.

39.9.2 A fee of \$15.00 will be charged for each year of customer data beyond the most recent 24 month period or for detailed interval data per account for any length of time.

39.10 BILLING AND PAYMENT PROCESSING

39.10.1 Appendix A, Section 9 of the UBP establishes the requirements for billing and payment processing options offered by the Company and ESCo.

39.10.2 The terms and conditions of existing Billing Service Agreements with ESCos for consolidated billing provided by the Company will supersede the UBP Order and will remain in effect until the date of termination or either party exercises the option to terminate or modify the agreement

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.11 BILLING BACKOUT CREDIT AND BILLING CHARGES

39.11.1 A customer who chooses to receive a consolidated bill from either the Company or an ESCo will receive a billing backout credit of \$.53 per month per account on the Company's portion of the consolidated bill.

39.11.1.1 The billing backout credit is only applicable if the account is no longer receiving a regular bill issued by the Company for either gas or electric service.

39.11.2 If the Company issues a consolidated bill on behalf of an ESCo for both electric and gas service or electric service only, the Company will charge the ESCo a fee of \$.53 per bill, unless the fee is otherwise established in an existing Billing Service Agreement.

39.12 ACCOUNT SEPERATION FEE

39.12.1 If a combination service customer chooses to receive a consolidated bill from an ESCo, but chooses to receive gas and electricity supply service from two different suppliers (Company or ESCo), the combination account will be separated into separate gas and electric accounts with a single bill (delivery and supply) rendered for each account.

39.12.1.1 The party requesting the enrollment or change in billing arrangement that initiates the account separation of a combination account will be charged a fee of \$25.46 to separate the account. This fee shall cover the one-time cost of recombining the separate accounts if required in the future.

39.13 COMPANY INVOICES

39.13.1 Appendix A, Section 7 of the UBP establishes procedures for charges for services provided by the Company directly to an ESCo or Direct Customer.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.14 METERING REQUIREMENTS

39.14.1 Metering requirements are set forth in Rule 25 and those requirements apply to the Retail Access Program, including the availability of interval recorders. Additional metering information, consistent with PSC Opinion 97-13, is available from the Company upon request.

39.14.2 Customers participating in the Company's Retail Access Program may continue to use the same metering equipment that is in place at the time of their applications for retail access.

39.14.3 For those customers without interval meters, the Company will utilize representative service class Load Shapes (reflecting voltage delivery level) for balancing and settlement purposes. For those customers with interval meters, the Company will utilize actual Load Shapes for balancing and settlement purposes.

39.14.4 Special Meter Reading

39.14.4.1 The Company will provide special meter readings to facilitate Customer switches. The Company will charge a fee of \$20 per meter for each special meter reading requested by an ESCO/ Direct Customer or Customer. The fee to the ESCO/Direct Customer or Customer will be invoiced in accordance with Rule 39.11.

39.14.4.1.1 If the Company has remote access to the meter, such as where the Company has installed an Automatic Meter Reading system, or if the customer has provided a telephone line as set forth in Rule 25, there will be no charge for a special meter reading.

39.14.4.2 Requests for a special meter reading must be made at least 15 calendar days in advance of the requested read date.

39.14.4.3 In the event that a request for a special meter reading would compromise the Company's ability to read the meters of customers not participating in the Company's Retail Access Program, the Company will work with the requesting party to determine a mutually acceptable date for the read to be obtained or accept a reading provided by the customer.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.15 DISPUTES INVOLVING THE COMPANY, ESCOS OR DIRECT CUSTOMERS

39.15.1 Appendix A, Section 8 of the UBP describes the dispute resolution processes available at the Public Service Commission to resolve disputes relating to competitive energy markets involving the Company, ESCo, or Direct Customers including disputes alleging anti-competitive practices.

39.16 LIMITATION OF LIABILITY

39.16.1 The Company shall not be liable to a customer or an ESCo/Direct Customer for any damages or losses of any nature (including economic losses), or for any costs or expenses (including attorneys' fees), or for any judgments or claims, directly or indirectly caused by, arising out of, or resulting from the Company's acts or omissions under this Rule, or from its supply of data and information, or under any legal or regulatory requirements related to the Retail Access Program, except for any damages or losses caused by the gross negligence or intentional misconduct of the Company.

39.16.2 The Company shall not be liable to a customer for any damages or losses of any nature (including economic losses), or for any costs or expenses (including attorneys' fees), or for any judgments or claims, directly or indirectly caused to the customer by any act or omission of an ESCo/Direct Customer.

39.16.3 The Company shall not be liable to an ESCo/Direct Customer for any damages or losses of any nature (including economic losses), or for any costs or expenses (including attorneys' fees), or for any judgments or claims, directly or indirectly caused to the ESCo/Direct Customer by any act or omission of a customer.

39.16.4 Any suspension or termination of an ESCo/Direct Customer shall be without any liability to the Company.

39.16.5 The Company's total cumulative liability to an ESCo/Direct Customer or a customer whether arising out of Tariff, contract, tort (including negligence and strict liability) or otherwise, shall be limited to direct damages.

39.16.6 In no event shall the Company be liable to a customer or an ESCo/Direct Customer, whether in contract, tort (including negligence and strict liability), or otherwise, for any and all special, indirect, penal, punitive, or consequential damage of any kind, including, but not limited to, loss of use of equipment or facilities, lost profits or revenues, expenses involving cost of capital, cost of repair or cleanup, additional costs involved in construction or operation of facilities, or claims of customers or suppliers.

39.16.7 The provisions of this Rule shall survive the customer's and the ESCo/Direct Customer's participation in the Retail Access Program.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.17 INDEMNIFICATION

39.17.1 An ESCo/Direct Customer, to the fullest extent of the law, shall indemnify, defend, and save harmless the Company from and against any loss, damage, liability, cost, suit, charge, expense (including attorneys' fees), claim, investigation, proceeding, or cause of action, which may at any time be imposed on, incurred by, or asserted against the Company and in any way relates to or is claimed to relate to or arise out of any damage or injury to property (including real property, personal property, and environmental damages), persons (including injuries resulting in death), or any economic losses, by or to third parties (including customers), that are directly or indirectly caused by or arise out of or are in any way connected with the ESCo/Direct Customer's acts or omissions (including the ESCo/Direct Customer's performance or non-performance of its agreements with customers).

39.18 SPECIAL PROVISIONS

39.18.1 The ESCo/Direct Customer shall be responsible for all losses determined by the Company based on the actual subzone loads from the NYISO and shall settle directly with the NYISO.

39.18.1.1 Losses reported to the NYISO shall include losses on the Company's underlying delivery systems not included in the NYISO Tariff. The Company losses to be allocated through the NYISO settlement process include the following efficiency factors:

LOCAL TRANSMISSION EFFICIENCY FACTORS

- 1.0267 Underlying Transmission, compounded by 1.02562 for delivery at Subtransmission.
- 1.0267 Underlying Transmission, compounded by 1.04162 for delivery at Primary.
- 1.0267 Underlying Transmission, compounded by 1.06336 for delivery at Secondary.

39.18.1.2 In addition to the adjustment under Section 39.18.1.1, the remaining unaccounted for energy will be allocated to all LSEs as follows:

AVERAGE UNACCOUNTED FOR ENERGY FACTOR

The Company will calculate an Average Unaccounted for Energy Factor defined as the quantity of unaccounted energy, equal to the sum of remaining unaccounted for energy in all six of the Company's subzones, calculated for the four most recent months reported to the NYISO for NYISO billing and settlement purposes, divided by the sum of all the LSE load requirements for all six of the Company's subzones for the same four month period. An Average Unaccounted for Energy Factor will be updated each month.

The Company will report each ESCo load requirement to the NYISO for NYISO billing and settlement purposes as the ESCo retail load times the Local Transmission Efficiency Factors times one (1) plus the Average Unaccounted for Energy Factor.

GENERAL INFORMATION

39. RETAIL ACCESS PROGRAM (Continued)

39.18 SPECIAL PROVISIONS (Continued)

39.18.2 ESCos will be prohibited from the aggregation of customer loads participating in the Retail Access Program, inclusive of transmission and distribution, CTC, and customer charges, based on customers' coincident demands.

39.18.2.1 The above Rule 39.18.2 does not apply to or prohibit the aggregation of electricity for customers eligible for the Retail Access Program.

39.18.3 In the event that any portion of the service provided hereunder is subject to the jurisdiction of the FERC, such portion shall be performed in accordance with the NYISO Tariff as the same may be modified or superseded from time to time.

39.18.4 Subject to the jurisdiction of the PSC or the FERC, an ESCo/Direct Customer's participation in the Retail Access Program shall constitute the ESCo/Direct Customer's consent to the personal jurisdiction of courts in the State of New York in any litigation or proceeding concerning any matters related to that ESCo/Direct Customer's participation in the Retail Access Program.

39.19 Special Rule For Delivery of NYPA Power by Mutual Agreement

The Company may deliver NYPA Power for which no other delivery rate is established in this Tariff directly to a customer under the provisions of Rule 39 where the Company, NYPA, and the customer mutually agree, provided that the conditions set forth in Rules 39.19.1 are met.

39.19.1 Conditions for Service

NYPA and the customer execute a written agreement for the purchase and sale of such power and a copy of the agreement is provided to the Company. In the case where the customer is a tenant, the customer's landlord may execute the purchase and sale agreement for supply to the customer-tenant; and

The customer (or customer's landlord) and NYPA execute a written service agreement with the Company for delivery of such power, agreeing that all of the delivery rates and other charges that the customer would otherwise pay if the customer were taking equivalent service from an ESCO pursuant to Rule 39, including without limitation distribution, transmission, loss allowances, CTC and all applicable surcharges, will be applicable to the delivery.

39.19.2 Terms of the Service Agreement

The service agreement provided for in Rule 39.19.1 may provide for the payment of the Company's rates and charges by either the customer, the customer's landlord, or by NYPA. The service agreement also may establish alternate billing and metering arrangements for such deliveries. Except for those non-rate related provisions of Rule 39 that the service agreement specifies will not apply, service shall be provided in accordance with the terms and conditions specified in Rule 39.

GENERAL INFORMATION

40. ADJUSTMENT TO CHARGE PURSUANT TO THE NEW YORK POWER AUTHORITY (NYPA) HYDROPOWER BENEFIT RECONCILIATION MECHANISM

40.1 Reconciliation Periods and Transition from Annual to Monthly Adjustment

40.1.1 The adjustment to residential charges applicable for the NYPA reconciliation shall be implemented on a calendar year cost basis from September 1, 2001 through December 31, 2007 based upon the accumulation of monthly data. Such calendar year reconciliation shall produce 12-month reconciliation rate per kilowatthour applicable to residential service bills effective March 1 of the subsequent year. In this adjustment, the Company shall true-up the value of power delivered by NYPA allocated to the Company's residential class of customers, specifically, Niagara Firm, Niagara Peaking, St. Lawrence Firm, and residual Replacement Power not allocated and consumed by qualifying industrial customers, to the forecasted value of such power reflected in base rates.

40.1.2 The adjustment to residential charges applicable for the NYPA reconciliation shall be implemented on a monthly cost basis commencing January 1, 2008 and continuing thereafter based upon each month's actual data. The foregoing monthly adjustment determined on a two-month lagged basis shall be applied in addition to the annual adjustment for calendar year 2007 determined in accordance with Rule 40.1.1 above on residential service bills from March 1, 2008 through February 28, 2009. In this adjustment, the Company shall true-up the value of power delivered by NYPA allocated to the Company's residential class of customers, specifically, Niagara Firm, Niagara Peaking, and St. Lawrence Firm Power, to the forecasted value of such power reflected in base rates..

40.1.3 Effective March 1, 2009, only the monthly adjustment determined in accordance with Rule 40.1.2 above shall apply and continue thereafter.

40.2 For each reconciliation period, in accordance with Rule No. 40.1.1 or Rule No. 40.1.2, the Company shall adjust the volumetric delivery charge for SC-1 and SC-1C by a rate equal to the accumulation for the respective month in the reconciliation period:

$$\begin{aligned} &+ \quad \text{Actual NYPA Residential Cost} \\ &- \quad \text{Forecast NYPA Residential Cost} \\ &+ \quad (\text{Forecast NYPA Residential Supply} - \text{Actual Residential Supply}) * (\text{Market Price}) \end{aligned}$$

all divided by forecast sales for the upcoming 12-month recovery period in accordance with Rule No. 40.1.1 or divided by forecast sales for the upcoming one month recovery period in accordance with Rule No. 40.1.2.

Where:

40.2.1 **Actual NYPA Residential Cost** in dollars for the respective month is the cost paid by the Company to NYPA for power under Niagara Firm, Niagara Peaking, St. Lawrence Firm, and residual Replacement Power not allocated and consumed by qualifying industrial customers.

GENERAL INFORMATION

40. ADJUSTMENT TO CHARGE PURSUANT TO THE NEW YORK POWER AUTHORITY (NYPA)
HYDROPOWER BENEFIT RECONCILIATION MECHANISM (Continued)

40.2.2 **Forecast NYPA Residential Cost** in dollars for the respective month is the forecast cost (in Rule 40.4), used in the development of the rate plan approved in PSC Case No. 01-M-0075 which may be updated in CTC Resets, to paid by the Company to NYPA for delivery of power under Niagara Firm, Niagara Peaking, St. Lawrence Firm, and residual Replacement Power not allocated and consumed by qualifying industrial customers.

40.2.3 **Forecast NYPA Residential Supply** in MWh for the respective month is the forecast energy (in Rule 40.4) used in the development of the rate plan approved in PSC Case No. 01-M-0075 which may be updated in CTC Resets to be delivered by NYPA to the Company under Niagara Firm, Niagara Peaking, St. Lawrence Firm, and residual Replacement Power not allocated and consumed by qualifying industrial customers.

40.2.4 **Actual NYPA Residential Supply** in MWh for the respective month is the actual delivered energy by NYPA to the Company under Niagara Firm, Niagara Peaking, St. Lawrence Firm, and residual Replacement Power not allocated and consumed by qualifying industrial customers.

40.2.5 **Market Price** in \$/MWh for the respective month shall mean the forecast energy and capacity market price used to establish the over-market variable cost, as approved in PSC Case No. 01-M-0075.

40.3 Filing of Reconciliation Rate Statements

40.3.1 In accordance with Rule No. 40.1.1, the annual reconciliation rate shall be shown on a statement filed annually with the Public Service Commission apart from the rate schedule not less than three (3) business days before its effective date.

40.3.2 In accordance with Rule No. 40.1.2, the monthly reconciliation rate shall be shown on a statement filed monthly with the Public Service Commission apart from the rate schedule not less than three (3) business days before its effective date.

GENERAL INFORMATION

40. ADJUSTMENT TO CHARGE PURSUANT TO THE NEW YORK POWER AUTHORITY (NYPA)
 HYDROPOWER BENEFIT RECONCILIATION MECHANISM (Continued)

40.4 Forecast NYPA Residential Supply and Cost

<u>Period Year</u>	<u>MWh</u>	<u>Cost</u>
January 2008	111,970	\$1,416,260
February 2008	102,185	\$1,368,117
March 2008	107,842	\$1,395,949
April 2008	105,422	\$1,384,044
May 2008	106,223	\$1,387,985
June 2008	102,439	\$1,369,369
July 2008	0	\$0
August 2008	0	\$0
September 2008	0	\$0
October 2008	0	\$0
November 2008	0	\$0
December 2008	0	\$0
January 2009	0	\$0
February 2009	0	\$0
March 2009	0	\$0
April 2009	0	\$0
May 2009	0	\$0
June 2009	0	\$0
July 2009	0	\$0
August 2009	0	\$0
September 2009	0	\$0
October 2009	0	\$0
November 2009	0	\$0
December 2009	0	\$0

GENERAL INFORMATION

41. ADJUSTMENT OF CHARGES PURSUANT TO THE SYSTEM BENEFITS CHARGE

41.1 The System Benefits Charge (SBC) is a mechanism which permits the Company to recover from customers costs associated with public policy programs including Demand-Side Management, Research and Development, and low income energy efficiency.

41.2 Service bills rendered to customers taking service under P.S.C. Nos. 220 and 214 Electricity are subject to the System Benefits Charge regardless of supplier, except:

- (i) load served by NYPA as provided in
 - a. Rule 34.5.3.5.1,
 - b. SC No 4-Special Provision H,
 - c. SC No 3-Special Provision G, or
- (ii) load served under the Empire Zone Rider as described in
 - a. Rule 34.3.2.2 and
 - b. Rule 34.3.3.2, or
- (iii) as established by contract under the SC-11 or SC-12 tariff as described in
 - a. SC No. 11 - Adjustments and Surcharges and
 - b. SC No. 12 – Section 5.2.3.

41.2.1 Certain NYPA allocations are subject to the System Benefits Charge. These allocations include Economic Development Power (EDP) above the allocated 46 MW, and all deliveries of High Load Factor Fitzpatrick Power not specifically enumerated on Schedule A to the Agreement Among Niagara Mohawk Power Corporation, the New York Power Authority, and the Department of Public Service Resolving and Settling Certain Disputes dated May 22, 1997 or otherwise authorized by that Settlement Agreement.

41.2.2 Customers may elect to pay SBC on any exempt load as described in Rule 41.3 below

41.3 Customer' loads that are exempt from the SBC under Rule 41.2, may voluntarily elect to pay the SBC on that load, by providing written notice to the Company, thus becoming eligible, if not currently eligible, for the programs mentioned in Rule 41.1. Once a customer voluntarily elects to become subject to the SBC (or to have any exempt load subject to the SBC), such election is irreversible for the duration of time that the Company provides delivery service to the customer. The SBC shall be applied to the customer's total billed kWh on their service bill.

41.4 System Benefits Charge rates will be stated in cents per kWh.

41.5 The System Benefits Charge rate shall be shown on statements filed with the Public Service Commission apart from this rate schedule not less than three (3) days before its effective date. Such statements will be available to the public by contacting the Company's Customer Service Center where applications for service may be made.

41.6 Customers subject to or who elect to pay the SBC are also subject to Rule No. 49-Renewable Portfolio Surcharge (RPS).

GENERAL INFORMATION

42. CUSTOMER SERVICE BACKOUT CREDIT MECHANISM

42.1 The purpose of the Customer Service Backout Credit (CSBC) Mechanism is to provide a credit to customers on their service bills if they elect to take ESS from a third-party ESCo or as a Direct Customer.

42.2 The credit rates presented below shall be used to calculate the CSBC applicable to any customer who takes ESS from a third-party ESCo or as a Direct Customer.

42.2.1 The credit rates below are effective through October 20, 2007.

<u>PSC No. 220</u>	<u>Credit Rate</u>
SC 1, SC 1-B, SC 1-C, 2ND	\$0.004/kWh
All other service classifications	\$0.002/kWh

<u>PSC No. 214</u>	
All service classifications	\$0.002/kWh

42.2.2 The credit rates below are effective on and after October 21, 2007:

<u>PSC No. 220</u>	<u>Customers Not in Purchase Of Receivable Program</u>	<u>Customers in Purchase of Receivable Program</u>
SC 1, SC 1-C, 2ND	\$0.0027/kWh	\$0.0004/kWh
All other service classifications	\$0.0005/kWh	\$0.0005/kWh

<u>PSC No. 214</u>		
All service classifications	\$0.0005/kWh	\$0.0005/kWh

Customers who are eligible to receive a CSBC credit may also receive a Metering Backout Credit as set forth in Rule 25.1.1.1 and a Billing Backout Credit as set forth in Rule 39.11.1 provided they also meet the eligibility requirements set forth in each individual rule respectively.

42.3 The credit rates presented in Rule 42.2 shall be multiplied by non-NYPA billed energy consumption in a given billing cycle to produce the CSBC amount shown on each customer individual service bill.

42.4 For the period commencing February 1, 2002 through December 31, 2011, the Company shall defer the difference between the actual credit amounts distributed in each year and the estimated avoided costs.

42.4.1 Effective April 20, 2006, the deferred amounts shall be determined in accordance with Order in Case Nos. 05-M-0333, 99-G-0336 and 98-M-1343.

42.4.2 If the deferral exceeds \$20 million, the amount in excess shall be collected in accordance with Section 1.2.4.9 of the Merger Joint Proposal, Case No. 01-M-0075, as approved by the Public Service Commission in Opinion No. 01-6.

42.5 Commercial Farms who participated in the Company's Retail Access Pilot Program shall continue to receive the backout credits associated with the Pilot Program as stated in Rule No. 39.8.2 of this Tariff.

GENERAL INFORMATION

43. TRANSMISSION REVENUE ADJUSTMENT

43.1 The Transmission Revenue Adjustment ("TRA") shall be based on a monthly comparison of (1) a forecast based transmission revenue credit that is reflected in delivery rates, and (2) the actual transmission revenue realized, exclusive of revenue taxes imposed thereon.

43.2 Transmission Revenue is defined as wholesale transmission services, excluding congestion rents from Transmission Congestion Contracts, (TCCs).

43.3 The forecast based transmission revenue credit reflected in delivery rates is \$123,475,046.

43.4 The calculation of the Transmission Revenue Adjustment shall be determined on a cost month basis and applied on a two-month lag basis.

43.5 As a result of the monthly comparison of the base transmission revenue credit amount to the actual transmission revenue amount, the TRA determined to be in excess of the base transmission revenue credit amount shall be refunded to customers. The TRA determined to be less than the base transmission revenue credit shall be collected from customers.

43.5.1 In the event that the monthly comparison of base transmission revenue to actual transmission revenue exceeds \$6 million, plus or minus, in any given month, the amount over the \$6 million will be deferred to the next cost month, with a return at the Company's cost of capital. If the \$6 million cap is reached for an additional two consecutive months, the cap will be increased to \$8 million. The \$8 million cap shall remain in place as long as the TRA exceeds +/- \$6 million, including recovery of the deferral and corresponding return, and will revert back to the \$6 million monthly cap once the TRA, including recovery of the deferral and return, falls to less than or equal to +/- \$6 million.

43.6 The TRA amount determined above shall be allocated to applicable service classifications based on the percent allocation of Transmission Revenue in the Company's most current embedded cost of service study (ECOS). The allocation of such revenues in the ECOS is based on a 12 month coincident peak method. The percent allocations are as follows:

<u>PSC No. 220</u>		<u>PSC No. 214</u>	
SC1/1B	34.6685%	SC1	0.0648%
SC1C	1.7652%	SC2/3	0.3989%
SC2ND	3.3614%	SC4	0.0843%
SC2D	19.3169%		
SC3-Secondary	18.2110%		
SC3-Primary	6.7735%		
SC3-Subtransmission	1.6295%		
SC3-Transmission	0.1716%		
SC3A-Secondary	1.1794%		
SC3A-Primary	3.3217%		
SC3A-Subtransmission	4.3564%		
SC3A-Transmission	3.5083%		

GENERAL INFORMATION

43. TRANSMISSION REVENUE ADJUSTMENT (Continued)

43.6 (Continued)

SC4 Small

Primary	0.1846%
Subtransmission	0.1374%
Transmission	0.0309%

SC4 Large

Primary	0.1192%
Subtransmission	0.4431%
Transmission	0.2734%

Customers classified as SC-4 Small Secondary Voltage Level and SC-4 Large Secondary Voltage Level – Supplemental Service - shall be subject to their parent class' percent allocation, SC-3 Secondary voltage level and SC-3A Secondary voltage level, respectively. The development of the respective TRA rates as described in Rule 43.7 shall be made by use of the parent class's forecast sales.

The use of the parent class' percent allocations and TRA rates for SC-4 Small and Large voltage levels shall apply until such time a new ECOS is prepared that includes SC-4 Small and Large voltage levels and Rule 43.6 percent allocations are revised.

43.7 The TRA amounts for the respective service classifications as determined in Rule 43.6 shall be divided by the respective service classification's monthly forecast sales associated with the corresponding month which the adjustment will be refunded to or collected from customers.

43.8 The TRA rates shall be applied to customers' actual billed consumption and applicable to customers served under PSC No. 220 Nos. 1, 1-C, 2ND, 2D, 3, 3-A, and 4, and all PSC No. 214 service classifications. The TRA is not applicable to kWh consumption associated with NYPA hydro sales under S.C. No. 4 and High Load Factor Fitzpatrick ("HLFF") sales, Economic Development Power and Power For Jobs and Empire Zone qualifying load, and may be applicable to PSC No. 220 SC Nos. 11 and 12 in accordance with the terms of their individual contracts.

43.9 The TRA shall be shown on statements filed with the Public Service Commission apart from this rate schedule not less than three (3) business days before its effective date. Such statements' effective dates shall be coincident with the first billing cycle of each month.

GENERAL INFORMATION

44. SPECIFICATION OF DELIVERY VOLTAGE

44.1 Delivery voltage for Electric Service to existing customers may be increased as follows:

44.1.1 By the Company when in its sole judgement such change in delivery voltage will alleviate system or facility loading, reliability or safety problems. When the change in delivery voltage is solely initiated by the Company, the Company will be responsible for the associated costs.

44.1.2 By the customer upon written request to the Company, provided however: (1) that such increase in delivery voltage shall be allowed only when in the Company's sole judgement, system or facility loading, reliability and safety will not be jeopardized; and (2) that the provisions of Rule 28.1 shall apply to any such increase in delivery voltage requested by the customer.

44.2 In the event of any increase in a customer's delivery voltage pursuant to Rule 44.1.2, the customer shall be required to pay the differential between the distribution and CTC charges applicable to the customer's former delivery voltage and the distribution and CTC charges applicable to the higher delivery voltage at which the customer is to be served after the voltage increase.

44.2.1 The distribution and CTC differential shall be prepaid on a lump sum basis prior to commencement of service to the customer at the higher voltage level, unless otherwise agreed to by the Company in writing.

44.2.2 In cases where the customer commits to an increase in load and the load increase necessitates a change in delivery voltage, the Company will take the customer's commitment into consideration in the calculation of the lump sum. The Company may (at its sole option) permit the customer to amortize the payment of the lump sum over a period greater than one year on terms and conditions acceptable to the Company.

44.2.3 All transactions under the Rule 44.2 shall be in the form of a written contract between the Company and the Customer.

44.3 As used in this Rule 44, the term "existing customer" shall mean any customer with facilities or equipment connected to the Company's electric system at a Retail Delivery Point on or after September 1, 1998.

GENERAL INFORMATION

45. NUCLEAR RETIREMENT ADJUSTMENT CLAUSE

In the event that the Company announces its intent to retire or abandon a nuclear plant, the Company shall begin deferring for future recovery nuclear operation, maintenance and decommissioning costs, and shall pass through to customers its replacement power costs ("RPCs") as defined in this Rule 45. The deferrals and RPC passthroughs shall commence on: (1) the date on which the Company announces its intent to retire the plant, if the plant is not operating when the announcement is made, or (2) the date on which the nuclear plant is permanently shut down if the plant is still operating when the intent to close the plant is announced. A report summarizing the basis for this decision will be filed with the Public Service Commission no later than 60 days of such an announcement.

45.1 Operation, Maintenance and Decommissioning Cost Provision

The Company shall defer for later recovery or refund the difference between actual nuclear operation, maintenance and decommissioning costs incurred and the level of nuclear operation, maintenance and decommissioning costs embedded in rates. In any month where such deferral shows a net credit and the spot market price exceeds the nuclear plant's avoided fuel costs, the credit shall be used to offset the Nuclear Retirement Adjustment Surcharge for that month.

45.2 Determination of RPCs

45.2.1 Determination of RPCs For Customers with Floating CTCs

RPCs shall be determined by subtracting the costs of avoided nuclear fuel costs, and any net reductions in nuclear operating, maintenance and decommissioning costs, from the market price of electricity purchased or produced by the Company to replace the forecasted output of the nuclear plant

Where:

avoided nuclear fuel costs are nuclear fuel costs that can be saved as a result of not operating the plant, based on nuclear fuel costs embedded in rates, and

net nuclear operating, maintenance and decommissioning costs are the amount by which actual nuclear operating, maintenance and decommissioning costs in any month are less than the level of operating, maintenance and decommission costs embedded in rates.

45.2.2 Determination of RPCs For Customers with Fixed CTCs

RPCs for customers with fixed CTCs shall be calculated as in 45.2.1 except that the market price of electricity shall be based on forecasted market prices rather than on actual market prices, so that variations between actual and forecasted market prices shall not be flowed through to such customers. The forecasts of market prices to be used for this purpose shall be based on the CTC payment option chosen by each such customer.

GENERAL INFORMATION

45. NUCLEAR RETIREMENT ADJUSTMENT CLAUSE_(Continued)

45.3 Recovery of RPCs

45.3.1 General Rule

The Company shall calculate RPCs on a monthly basis and apply them on a volumetric basis (per kWh) to all customers that pay CTCs under its Tariffs P.S.C. No. 220 Electricity and P.S.C. No. 214 Outdoor Lighting (whether the CTC is billed on a bundled or unbundled basis) through temporary rates which shall be subject to refund, but shall not recover such costs from customers served under individually negotiated rate agreements under rate schedules S.C. No. 11 or S.C. No. 12 of its Tariff P.S.C. No. 220 Electricity unless such individually negotiated rate agreements specifically authorize the recovery of such nuclear RPCs. These rates shall become permanent upon a finding by the Commission that the retirement or abandonment of the nuclear plant in question was prudent and that the cost impacts of that action are justified.

45.3.2 Special Rule for Customers Served Under Rate Schedule S.C. No. 3A

RPCs for customers receiving service under rate schedule S. C. No. 3A shall be deferred in years 1 through 3 of the term associated with the Settlement Agreement in PSC Case Nos. 94-E-0098 and 94-E-0099 and will be recovered from such customers in year 4 and beyond, subject to the price caps on service to such customers established in the Settlement Agreement previously mentioned.

45.4 Revised Nuclear CTC and Unhedged Commodity Costs

Upon Commission approval of the retirement decision, the CTC for the nuclear plant shall be recalculated consistent with the intent (a) that unhedged commodity risk be shifted to customers who pay a floating CTC and (b) that the CTC for all customers who pay a fixed or floating CTC reflect revised nuclear costs, sunk costs and decommissioning costs (including rampdown and shutdown costs), and reduced operation and maintenance costs (including fuel cost savings).

46. ELECTRICITY SUPPLY COST (ESCost)

Any capitalized terms herein shall use the Definitions within this PSC No. 220 Tariff and definitions within the NYISO Tariff filed April 30, 1999. The following shall define the determination of ESCost:

46.1 For each hour, the Day-ahead LBMP in \$/kWh; plus

46.2 For each hour between 12:00 noon and 8:00 PM on weekdays (excluding any Holiday that falls on a weekday), the LBMCP in \$/kW-mo times the sum of one plus the Unforced Capacity Requirement of the NYISO divided by hours between 12:00 noon and 8:00 PM on weekdays (excluding any Holiday that falls on a weekday) of the respective month divided by the respective Class Load Factor; plus

GENERAL INFORMATION

46. ELECTRICITY SUPPLY COST (ESCost) (Continued)

- 46.3 For each hour, the NYISO Tariff Schedule I Scheduling System Control and dispatch rate in \$/MWh from the cost month two months prior; plus
- 46.4 For each hour, the NYISO Tariff Schedule II Voltage Support Service average rate in \$/MWh from the cost month two months prior; plus
- 46.5 For each hour, the NYISO Tariff Schedule III Regulation and Frequency Response Service rate in \$/MWh from the cost month two months prior; plus
- 46.6 For each hour, the NYISO Tariff Schedule IV Energy Imbalance rate in \$/MWh calculated as NYISO Real Time energy purchases times the difference between Real Time price minus DAM Price plus Real Time energy sales times the difference between the DAM Price minus Real Time Price, each from the previous three months divided by the NYISO net energy for load to meet sales to PSC No. 220 and PSC No. 214 customers served ESS by the Company under both the Standard Rate and Market Rate Service as set forth in Rule 48; plus
- 46.7 For each hour, the NYISO Tariff Schedule V Operating Reserve Service weighted average rate in \$/MWh from the cost month two months prior; plus
- 46.8 For each hour, the NYISO Tariff Schedule VI Black Start Service rate in \$/MWh from the costs month two months prior; plus
- 46.9 For each hour, the NYISO NTAC rate in \$/MWh from the cost month two months prior; plus
- 46.10 For each hour, an unforced capacity imbalance rate (in \$/MWH) calculated as the sum of
- (i) purchases (in MW) in the monthly capacity auctions times the respective monthly auction price (\$/MW-mo) minus LBMCP (\$/MW-mo), plus sales (in MW) in the monthly capacity auctions times LBMCP (\$/MW-mo) minus the respective monthly auction price (\$/MW-mo);
 - (ii) the purchase (in MW) in the spot capacity auction required to meet the Company's Unforced Capacity Requirement times the spot auction price (\$/MW-mo) minus LBMCP (\$/MW-mo), plus the sale (in MW) in the spot capacity auction required to meet the Company's Unforced Capacity Requirement times LBMCP (\$/MW-mo) minus the spot auction price (\$/MW-mo) ; and
 - (iii) the purchase (in MW) in the spot capacity auction required to meet the Company's obligation in excess of the Unforced Capacity Requirement times the spot auction price (\$/MW-mo) as established by the NYISO's administratively determined Demand Curve.

each from the previous cost month, two months prior, divided by the NYISO net energy load to meet sales to PSC No. 220 and PSC No. 214 customers served ESS by the Company under both Standard Rate and Market Rate Service as set forth in Rule 48.

GENERAL INFORMATION

46. ELECTRICITY SUPPLY COST (ESCost) (Continued)

46.11 The sum of each item shall be adjusted by the Local Transmission Efficiency Factors set forth in Rule 39.18.1.1 for the applicable distribution delivery voltage level and the Average Unaccounted for Energy Factor set forth in Rule 39.18.1.2 plus any applicable taxes.

46.11.1 Any billing adjustment from the NYISO may be flowed through this Rule 46 based on the tariff rules in effect on the date service was rendered.

46.12 A system average calculation of the prices in each of the Load Zones shall be calculated to effectuate contracts under Service Classification No. 11 that reference system average rates. The system average prices shall be determined through application of weights to each Load Zone price. The weight factors will be updated and filed with the PSC for approval according to historic consumption. The weights for each of the Load Zones shall be shown on statements filed with the Public Service Commission apart from this rate schedule not less than three (3) business days before its effective date. Such statement will be filed quarterly with proposed effective dates of January 1, April 1, July 1, and October 1 of each year. The statements will be available to the public.

GENERAL INFORMATION

47. AGGREGATION OF ELECTRIC DELIVERY SERVICE

Neither ESCos nor Residential or Non-Residential Customers may aggregate Electric Delivery Service through two or more separate Retail Delivery Points to one Retail Delivery Point on the Company's system by construction of new facilities connecting these previously separate Retail Delivery Points, except as provided in Rule 47.1 or Rule 47.9. The only exemption to this Rule 47 is described in Rule 8.6 of this Tariff Schedule specifically for new senior living facilities as of April 27, 2000.

47.1 A Non-Residential Customer may only aggregate Electric Delivery Service for two or more separate Retail Delivery Points into a single Retail Delivery Point if the following conditions are met:

47.1.1 The aggregation must be physical in nature.

47.1.2 Each Retail Delivery Point must be on the same Premise, as defined in Rule 1.3.2

47.1.3 Electric Delivery Service for each of the Retail Delivery Points to be aggregated must be in the name of the same customer.

47.1.4 The customer is aggregating for at least one of the following reasons: (1) electrical reconfiguration is needed to address electrical safety concerns, (2) the customer is reconfiguring in the context of a generation project being installed on site, (3) the electrical reconfiguration is occurring because the customer is substantially changing the physical configuration of its business premises, which requires relocation of electrical service points, or (4) the Company specifically requested an aggregation of delivery points as described in Rule No. 47.9.

47.1.5 Except as described in Rule 47.9, the customer pays the charge as described in Rule 47.3, below.

47.2 The customer must inform the Company in writing of its intentions to aggregate Electric Delivery Service for two or more Retail Delivery Points. This written request must describe the proposed aggregation in sufficient detail for the Company to review the proposal. The Company shall determine if the aggregation of Electric Delivery Service contemplated by the customer is allowed under Rule 47.1. The Company shall inform the customer in writing within ninety (90) calendar days of its determination as to whether the aggregation is permitted, and if permitted, shall provide the customer with the amount of the payment as described in Rule 47.3, below.

GENERAL INFORMATION

47. AGGREGATION OF ELECTRIC DELIVERY SERVICE (Continued)

47.3 In the event the aggregation of Electric Delivery Services is allowed under the provisions of this Rule, the customer shall be required to pay an amount to the Company for the revenues lost as a result of the aggregation of Electric Delivery Services. This amount shall be equal to the net present value calculated at the Company's weighted average after-tax cost of capital of the estimated net revenue difference between total retail delivery revenues before aggregation and total retail delivery revenues after aggregation less any avoided capital costs, operating and maintenance costs, and property taxes for each year or partial year commencing upon the estimated date of aggregation and ending on December 31, 2011. The aggregation fee's calculation shall be performed so that no incremental benefit shall result at the expense of the ratepayers or Company simply due to a customer aggregating its meters. The final aggregation fee shall take into account the impact of revenue deferrals and recovery mechanisms to insure proper revenue recovery from the aggregating customer. If actual interval data is available for the prior twelve months for all meters that are to be aggregated, actual kW data shall be used to determine the aggregation revenues. If interval data is not available, an estimate will be used based on the Company's available information.

47.3.1 The fee calculated in Rule 47.3 above shall be paid to the Company prior to the aggregation of Electric Delivery Services by the customer. The Company shall entertain levelized annual payments or other options that may be negotiated between the Company and the customer, subject to adequate security.

47.4 In the event that the customer's facilities have been physically altered in such a manner that requires electrical service changes according to the National Electric Code or the Company's Engineering standards, changes to the Company's service equipment or facilities may be required. The need for such changes shall be at the sole discretion of the Company in accordance with Good Utility Practice. The customer shall bear the cost of such changes and payment therefore will be in addition to the fee calculated in Rule 47.3 above.

47.5 Where the existing Company equipment or facilities must be removed in order to implement aggregation the customer shall bear the cost of removing such equipment or facilities, plus the costs to install any and all new equipment or facilities in addition to the fee calculated in Rule 47.3 above.

47.6 In order for the customer to be allowed to aggregate Electric Delivery Service under this Rule 47, the customer must not be delinquent for any receipts of undisputed bills owed to the Company.

47.7 An Energy Service Company (ESCO), as defined under Rule No. 1.26 of this Tariff Schedule, is not eligible to aggregate Electric Delivery Service under this Rule 47.

47.8 A customer is not eligible to aggregate Electric Delivery Service under this Rule No. 47 for any portion of its load served under a special contract pursuant to Service Classification No. 11 or Service Classification No. 12 except where such contract expressly permits the customer to aggregate services.

47.9 When the Company, in its sole judgment, specifically requests a physical aggregation of separate Retail Delivery Points to alleviate system or facility loading, reliability or safety problems, a Non-Residential Customer may aggregate without paying the charge as described in Rule No. 47.3.

GENERAL INFORMATION

48. ADMINISTRATION OF STANDARD RATE SERVICE AND MARKET RATE SERVICE

48.1 Description of Customer Options

Regardless of the Service chosen by an individual customer, all customers taking service under the same service classification, voltage level and load zone shall pay common charges for Distribution Delivery, Competitive Transition Charge (CTC), and Electricity Supply Service (ESS) if ESS is supplied by the Company. The only difference relates to the application of the Delivery Charge Adjustment (DCA) as defined in Rule 29 of this Tariff.

48.1.1 **Standard Rate Service**

Customers who take service under the Standard Rate Service and who take ESS from the Company, will be provided a partial hedged commodity service subject to limited adjustments as set forth in Rule 29 of this Tariff.

48.1.1.1 This service applies to all customers served under P.S.C. No. 220 Service Classifications Nos. 1, 1-C, 2ND, 2D, 3, 4 (less than 2 MW), and to the portion of an Empire Zone customer's load served under Standard Tariff rates, and all customers served under P.S.C. No. 214 who do not elect to take service under the Market Rate Service as set forth in Rule 48.2.

48.1.1.2 Customers served under the Standard Rate Service will have the DCA applied to their service bills in accordance with the terms and provisions set forth in Rule 29 of this tariff.

48.1.1.3 Customers served under Service Classification Nos. 3A and 4 (>2MW) are not eligible for Standard Rate Service.

48.1.1.4 The eligibility of customers served under Service Classification Nos. 11 and 12 for either Standard Rate or Market Rate Service is pursuant to the terms and provisions of their individual Customer Service Agreements.

GENERAL INFORMATION

48. ADMINISTRATION OF STANDARD RATE SERVICE AND MARKET RATE SERVICE (Continued)

48.1.2 **Market Rate Service**

Customers who elect to take service under the Market Rate Service who take ESS from the Company shall be exposed to fluctuations in the market price of electricity.

48.1.2.1 Any customer referenced in Rule 48.1.1.1 is eligible to elect service under this option in accordance with the terms and conditions set forth in this Rule 48.

48.1.2.2 All customers who are served under the Market Rate Service as of August 31, 2001 may continue to be served under this service in accordance with the Term provisions set forth in Rule 48.3. Customers will be given the opportunity to return to Standard Rate Service prior to the effective date of the new Term provisions set forth in Rule 48.3.

48.1.2.3 Customers served under the Market Rate Service will not have a DCA, set forth in Rule 29, applied to their service bills.

48.2 **Subscription and Enrollment Guidelines**

48.2.1 A fixed amount of electricity will be allocated to the Market Rate Service. The Company will allocate 2150 gigawatthours of electricity on a rolling twelve-month projected basis based on each subscribing customer's projected annual usage. Standard Rate Service customers will be allowed to transfer to Market Rate Service on a first-come, first-served basis until the 2150 gigawatthour allocation is fully subscribed.

48.2.1.1 The Company will restrict new customer access to Market Rate Service when the prescribed limit set forth in Rule 48.2.1 has been reached.

48.2.2 Written application from the Customer upon the Company's prescribed forms will be required to initiate service under Market Rate Service. Empire Zone customers who have a portion of their load served at Standard Tariff rates, will also have that portion of their load billed at the applicable class' load shape and will not be required to install interval metering.

48.3 **Term**

A customer eligible to take service under the Market Rate Service may elect to be served under the Market Rate Service at any time.

GENERAL INFORMATION

48. ADMINISTRATION OF STANDARD RATE SERVICE AND MARKET RATE SERVICE (Continued)

48.3.1 A customer who voluntarily subscribes to Market Rate Service must remain on Market Rate service for a minimum of twelve consecutive months. Once the twelve-month minimum has been satisfied, the customer may remain on the Market Rate Service continuously from month to month thereafter. A customer may cancel subscription to Market Rate Service by providing the Company with a minimum of thirty-days written notice once the initial one-year term has been completed.

48.4 **Special Provisions**

48.4.1 The Company or an ESCo can supply ESS to customers taking service under either the Market Rate Service or the Standard Rate Service.

48.4.2 Customers served under P.S.C. No. 220 Service Classification Nos. 1, 1-C, 2, 3, 4 (< 2MW), and all PSC 214 customers electing Market Rate Service, shall be billed under their applicable class load shape and will not be required to install interval metering.

GENERAL INFORMATION (CONTINUED)

49. RENEWABLE PORTFOLIO SURCHARGE ("RPS")

49.1 The Renewable Portfolio Surcharge ("RPS") is a mechanism which permits the Company to recover from customers costs associated with providing financial incentives for the development of renewable resources in New York State per Order issued and effective September 24, 2004 in Case No.03-E-0188 – Proceeding on Motion of the Commission Regarding a Retail Renewable Portfolio Standard.

49.2 Service bills rendered to customers taking service under P.S.C. No. 220 and 214 Electricity, are subject to the Renewable Portfolio Surcharge, regardless of supplier, except

- (i) customers served under the Empire Zone Rider,
- (ii) as established by contract under the SC-11 or SC-12 tariff,
- (iii) S.C. No. 3 – Special Provision G, and
- (iv) SC No 4 - Special Provision H.

49.2.1 Certain NYPA allocations are subject to the Renewable Portfolio Surcharge. These allocations include Economic Development Power (EDP) above the allocated 46 MW, and all deliveries of High Load Factor Fitzpatrick Power not specifically enumerated on Schedule A to the Agreement Among Niagara Mohawk Power Corporation, the New York Power Authority, and the Department of Public Service Resolving and Settling Certain Disputes dated May 22, 1997 or otherwise authorized by that Settlement Agreement.

49.3 The Renewable Portfolio Surcharge rates will be stated in cents per kWh.

49.4 The RPS rate shall be shown on statements filed with the Public Service Commission apart from this rate schedule not less than three (3) days before its effective date. Such statements will be available to the public by contacting the Company's Customer Service Center where applications for service may be made.

49.5 Customers subject to or who elect to pay Rule 41-System Benefits Charge are also subject to Rule No. 49-Renewable Portfolio Surcharge (RPS).

50. CANCELED

51. CANCELED

GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM

52.1 PURPOSE

To discourage total bypass of the Company's retail distribution services and charges where such bypass is not economic from society's standpoint and to prevent the shifting of the Company's Transition Costs to other stakeholders that would occur in such circumstances.

52.2 DEFINITIONS

52.2.1 Except as provided in Rule 52.2.2, the term "Municipal Utility" as used in this Rule 52 shall include any governmental body established under state or local law for the purposes of owning or operating facilities for the distribution or furnishing of electric power to any ultimate consumer in the Company's service territory or any portion thereof.

52.2.2 Notwithstanding the provisions of Rule 52.2.1, the Power Authority of the State of New York ("NYPA") shall not be considered to be a Municipal Utility, a utility or an alternative supplier of electric power or Electric Service, for the purposes of this Rule 52 with respect to allocations of electric power by NYPA to ultimate consumers in the Company's service territory: (a) authorized by the Settlement Agreement between the Company, NYPA and the New York State Public Service Commission ("Commission") dated May 22, 1997 and approved by the Commission in Orders dated May 23, 1997, June 10, 1997 and August 20, 1997 in Cases 97-E-0528 and 97-E-0569 or authorized by Chapter 316 of the New York Laws of 1997, as amended by Chapter 386 of New York Laws of 1998; or (b) exempted from exit fees by the Settlement Agreement dated October 10, 1997 and approved by the Commission in Opinion No.98-8 dated March 20, 1998 in Case Nos. 94-E-0098 and 94-E-0099 ("the Settlement Agreement").

GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM (Continued)

52.3 APPLICABILITY

The Lump Sum Recovery of Transition Costs authorized by this Rule 52 shall apply to customers and locations in the Company's service territory served under Schedules P.S.C. No. 220 Electricity and P.S.C. No. 214 Electricity on or after April 6, 1998 which thereafter receive electric service which bypasses the Company's retail distribution system and Municipal Utilities that serve such customers and locations as set forth below. This Rule 52 is not applicable to any customer, Municipal Utility or alternative supplier of electric power or Electric Service with respect to customers' load subject to the provisions of S.C. No. 7. This Rule 52 is not applicable to any customer that Electrically Isolates its load(s) from the transmission and distribution systems of the Company and all other electric utilities and independent power producers (other than the customer itself) as specified in Rule 1.48. Rule 52 shall not apply to a customer's premises which is disconnected from the Niagara Mohawk system when the customer's electricity is either supplied by the customer or by a third party who is also disconnected from Niagara Mohawk's system with all of its generating capacity installed after January 1, 2002, located on or immediately adjacent to the customer's premises and used exclusively to serve that single customer, even if the customer's premises is located within 100 feet of the Niagara Mohawk system. Rule 52 shall not apply when the customer disconnects from the Niagara Mohawk system and is connected to a third party owning generation located on or immediately adjacent to the customer's premises who is connected to the Niagara Mohawk system with all of its generating capacity installed after January 1, 2002 and whose generating capacity is used to serve only one retail customer at that location with any excess electricity being delivered over Niagara Mohawk's system, even if that customer's premises is located within 100 feet of the Niagara Mohawk system, as long as the third party generator pays the charges under S.C. No. 7, Niagara Mohawk's standby tariff for retail service. In the event that the third party generator fails to agree to pay the standby tariff the Lump Sum Contribution towards the Company's Transition Costs will be assessed. In all cases where it applies, the Lump Sum Contribution towards the Company's Transition Costs will be assessed as follows.

GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM (Continued)

52.3.1 In the case of the furnishing of Electric Service by any Municipal Utility to any retail customer at a location in the Company's franchised service territory, the Lump Sum Contribution towards the Company's Transition Costs shall be paid to the Company by the Municipal Utility to the extent that the Municipal Utility is subject to the Commission's jurisdiction to require the payment of that Amount. To the extent that the Municipal Utility is not subject to the Commission's jurisdiction to require the payment of the Lump Sum Contribution towards the Company's Transition Costs and if the Municipal Utility elects not to pay such Amounts on the customer's behalf, that Contribution shall be paid to the Company by the customer. This requirement shall apply regardless of whether the customer in question was inside or outside of the municipality's corporate boundaries as of April 6, 1998 and regardless of whether the Municipal Utility utilizes the Company's transmission system in the provision of electric service to the customer.

52.3.2 In all other cases where service is extended to a customer in the Company's franchised service territory by any entity other than the Company and the customer is no longer connected to the Company's delivery system either directly or indirectly through the facilities of another retail customer of the Company, the Lump Sum Contribution towards the Company's Transition Costs shall be paid directly by the customer to the Company.

52.4 LUMP SUM TRANSITION COST CALCULATION METHODOLOGY

The Company shall use a "revenues lost" methodology similar to that proposed by the FERC in Order No. 888 to determine the Lump Sum Contribution towards the Company's Transition Costs to be made by a customer or a Municipal Utility. This amount will be calculated on a one-time basis. Adjustments or Credits to reflect the acquisition by sale or condemnation of the Company's facilities, avoided property taxes and avoided operation and maintenance expenses, if applicable, will be developed by the Company on a case by case basis. The Company shall entertain levelized annual payments or other options that may be negotiated between the Company and the customer or the Municipal Utility, subject to adequate security.

GENERAL INFORMATION

52. LUMP SUM PAYMENT OF TRANSITION COSTS BY CUSTOMERS TOTALLY BYPASSING THE COMPANY'S RETAIL DISTRIBUTION SYSTEM (Continued)

52.4 LUMP SUM TRANSITION COST CALCULATION METHODOLOGY (Continued)

The "revenues lost" formula is equal to the net present value (at the Company's weighted average cost of capital) over Y years of:

(R-E)

Where,

R shall be the annual estimated revenue from the customer or, in the case of a Municipal Utility, all of the customers formerly served by the Company to be served by the Municipal Utility using the bundled price designs contained in the Settlement Agreement. There shall be no credit for transmission related revenues, as proposed in FERC Order No. 888, unless the customer(s) will continue to use the Company's transmission system.

E is the Company's estimate of the annual revenues that it can receive by selling or releasing capacity and associated energy formerly supplied to the customer(s). Consistent with the FERC's Order 888, the customer(s) shall have the option to market a portion of the released capacity and associated energy.

Y is the number of years required for the Company to recover its full strandable costs. Since Y is dependent upon a number of factors, including the timing of the departure, the Company will address Y on a case-by-case basis.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS

53.1 Applicable to customers who wish to interconnect new OSG's with a nameplate rating of 2 MW or less, connected to Radial Distribution Lines (aggregated on the customer side of the point of common coupling ("PCC")) connected in parallel to radial distribution feeders.

53.2 Customers and applicants as described in Rule 53.1 agree to comply with the requirements presented in Case No. 08-E-1018 - "Order Modifying Standard Interconnection Requirements" dated February 13, 2009, as may be amended, revised, modified, clarified, supplemented or superseded.

53.2.1 The application process steps, design and operating requirements and all type testing and verification testing protocols relating to the Company's interface equipment as documented in the above Order are included in Rule No. 53.4.

53.3 Customers and applicants eligible in Rules 53.1 and 53.2 above, are required to execute the following form:

53.3.1 Niagara Mohawk's Power Corporation Contract for Interconnection of New Distributed Generation Units with Capacity of 2 MW or Less Connected in Parallel with Niagara Mohawk's Distribution Systems, Form "K". Form "K" is subject to future amendments as may be set forth in PSC authorized revisions to this Tariff.

53.3.2 The Company and the customer must be in compliance with the Application Process for the interconnection of DG units of 2 MW or less connected to radial distribution feeders as defined in Niagara Mohawk's Electric System Bulletin No. 756A. This Application Process may also be obtained from the New York Public Service Commission's website: www.dps.state.ny.us.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

53.4 Application Process

This section provides a framework for processing applications to:

- interconnect new distributed generation facilities with a nameplate rating of 2 MW or less [aggregated on the customer side of the point of common coupling (PCC)], and
- review any modifications affecting the interface at the PCC to existing distributed generation facilities with a nameplate rating of 2 MW or less (aggregated on the customer side of the PCC) that have been interconnected to the utility distribution system and where an existing contract between the applicant and the utility is in place.

A. Introduction

Generation neither designed to operate, nor operating, in parallel with the utility's electrical system is not subject to these requirements. This section will ensure that applicants are aware of the technical interconnection requirements and utility interconnection policies and practices. This section will also provide applicants with an understanding of the process and information required to allow utilities to review and accept the applicants' equipment for interconnection in a reasonable and expeditious manner.

The time required to complete the process will reflect the complexity of the proposed project. Projects using previously submitted designs certified per the requirements of Section II.H will move through the process more quickly, and several steps may be satisfied with an initial application depending on the detail and completeness of the application and supporting documentation submitted by the applicant. Applicants submitting systems utilizing certified equipment however, are not exempt from providing utilities with complete design packages necessary for the utilities to verify the electrical characteristics of the generator systems, the interconnecting facilities, and the impacts of the applicants' equipment on the utilities' systems.

The application process and the attendant services must be offered on a non-discriminatory basis. The utilities must clearly identify their costs related to the applicants' interconnections, specifically those costs the utilities would not have incurred but for the applicants' interconnections. The utilities will keep a log of all applications, milestones met, and justifications for application-specific requirements. The applicants are to be responsible for payment of the utilities' costs, as provided for herein.

Staff of the Department of Public Service (Staff) will monitor the application process to ensure that applications are addressed in a timely manner. To perform this monitoring function, Staff will meet periodically with utility and applicant representatives.

B. Application Process Steps for Systems 25 kW or Less

STEP 1: Initial Communication from the Potential Applicant

Communication could range from a general inquiry to a completed application.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

STEP 2: The Inquiry is Reviewed by the Utility to Determine the Nature of the Project

Technical staff from the utility discusses the scope of the interconnection with the potential applicant (either by phone or in person) to determine what specific information and documents (such as an application, contract, technical requirements, specifications, listing of qualified type-tested equipment/systems, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements (SIR) must be sent to the applicant within three (3) business days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A utility representative will be designated to serve as the single point of contact for the applicant (unless the utility informs the applicant otherwise) in coordinating the potential applicant's project with the utility.

STEP 3: Potential Applicant Files an Application

The potential applicant submits an application package to the utility. A complete application package will consist of (1) a letter of authorization by the customer (if the applicant is an agent for the customer), (2) the standard single page application form completed and signed by the applicant, (3) a signed copy of the standardized contract, (4) a three line diagram for the system identifying the manufacturer and model number of the equipment(s), (5) a copy of the manufacturer's data sheet for the equipment(s), (6) a copy of the manufacturers verification test procedure(s) and (7) a copy of the equipment(s) certification to UL 1741 (November 2005 revision) if applicable. The equipment(s) will be considered acceptable by the utility if they meet the requirements of Section II.H. If the application is not complete, then within five (5) business days of receipt of the application package the utility will notify the applicant by email, fax, or other form of written communication, and explain the deficiencies. If the proposed system meets the SIR technical requirements the utility will return a signed and executed standardized contract to the applicant within ten (10) business days of receiving the application and the applicant may proceed with the installation. If the proposed system does not meet the SIR technical requirements, then the utility will so notify the applicant within ten (10) business days of receiving the application by email, fax, or other form of written communication and explain the technical issues or problems.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

STEP 4: System Installation

The applicant will install the system according to the utility accepted design and the equipment manufacturer's requirements. All inverter based systems will be allowed to interconnect to the utility system for a period not to exceed two hours, for the sole purpose of assuring proper operation of the installed equipment.

For net metered systems as defined in Section II.A.6, any modifications related to existing metering configurations to allow for net metering shall be completed by the utility prior to Step 5. The utility shall complete the necessary metering changes within ten (10) business days of receiving request from the applicant.

STEP 5: The Applicant's Facility is Tested in Accordance with the Standardized Interconnection Requirements.

Verification testing will be performed by the applicant in accordance with the written verification test procedure provided by the equipment manufacturer. The verification testing will be conducted within ten (10) business days of system installation at a mutually agreeable time, and the utility shall be given the opportunity to witness the tests. If the utility opts not to witness the test, the applicant will send the utility within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SIR, the utility-accepted design and the equipment manufacturer's instructions. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 5. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

STEP 6: Final Acceptance

Within five (5) business days of receiving the written test notification from Step 5, the utility will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and utility set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within ten (10) business days after being requested. Within five (5) business days of the completion of the on-site verification, the utility will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system.

C. Application Process Steps for Systems above 25 KW up to 2 MW

Exception: For inverter based systems above 25 kW up to 200 kW, applicants may follow the expedited application process outlined under Section I. B. of the SIR, as long as the inverter-based system has been certified and tested in accordance with UL 1741 (November 2005 revision) and the utility has approved the project accordingly. The utility has fifteen (15) business days from original application submittal to determine and notify the applicant in writing of its findings. If the utility determines that the inverter-based system is not eligible for the fast track or expedited application process, the applicant can:

- 1) Proceed with the remaining steps of Section I.C of the SIR (Systems above 25 kW up to 2 MW); or
- 2) Request a review by the Department of Public Service.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

For non-inverter based systems and those inverter based systems not certified and tested in accordance with UL 1741 above 25 kW up to 200 kW, the potential applicants and utilities are encouraged to use expedited application process (Section I. B.), but only in circumstances where the utility deems it to be appropriate.

STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is Reviewed by the Utility to Determine the Nature of the Project.

Technical staff from the utility discusses the scope of the interconnection with the potential applicant (either by phone or in person) to determine what specific information and documents (such as an application, contract, technical requirements, specifications, listing of qualified type-tested equipment/systems, application fee information, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements must be sent to the applicant within three (3) business days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A utility representative will be designated to serve as the single point of contact for the applicant (unless the utility informs the applicant otherwise) in coordinating the potential applicant's project with the utility.

STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to the utility. The submittal must include the completed standard application form, including a copy of equipment certification to UL 1741 (November 2005 revision) as applicable, a three line diagram specific to the proposed system, a letter of authorization (if applicant is agent for the customer), and payment of a non-refundable \$350 application fee, except that the fee shall be refunded to net metering customer-generators unless applied toward the cost of installing a dedicated transformer. If the applicant proceeds with the project to completion, the application fee will be applied as a payment to the utility's total cost for interconnection, including the cost of processing the application. Within five (5) business days of receiving the application, the utility will notify the applicant of receipt and whether the application has been completed adequately. It is in the best interest of the applicant to provide the utility with all pertinent technical information as early as possible in the process. If the required documentation is presented in this step, it will allow the utility to perform the required reviews and allow the process to proceed as expeditiously as possible.

STEP 4: Utility Conducts a Preliminary Review and Develops a Cost Estimate for the Coordinated Electric System Interconnection Review (CESIR).

The utility conducts a preliminary review of the proposed system interconnection. Upon completion of the preliminary review, the utility will inform the applicant as to whether the proposed interconnection is viable or not, and provide the applicant with an estimate of costs associated with the completion of the CESIR. The preliminary review shall be completed and a written response detailing the outcome of the preliminary review shall be sent to the applicant within fifteen (15) business days of the completion of Step 3. The utility's response to applicants proposing to interconnect aggregate DG systems above 25 kW and up to 2 MW, or proposing to interconnect to network systems will include preliminary comments on requirements for protective relaying, metering and telemetry.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

STEP 5: Applicant Commits to the Completion of the CESIR

Prior to commencement of the CESIR, the applicant shall provide the following information to the utility:

- a complete detailed interconnection design package
- the name and phone number of the individual(s) responsible for addressing technical and contractual questions regarding the proposed system, and
- if applicable, advanced payment of the costs associated with the completion of the CESIR

The complete detailed interconnection design package shall include:

- (1) Electrical schematic drawing(s) reflecting the complete proposed system design which are easily interpreted and of a quality necessary for a full interconnection. The drawings shall show all electrical components proposed for the installation, and their connections to the existing on-site electrical system from that point to the PCC.
- (2) A complete listing of all interconnection devices proposed for use at the PCC. A set of specifications for this equipment shall be provided by the applicant upon request from the utility.
- (3) The written verification test procedure provided by the equipment manufacturer, if such procedure is required by this document.
- (4) Three (3) copies of the following information:
 - Proposed three line diagram of the generation system showing the interconnection of major electrical components within the system. Proposed equipment ratings clearly needs to indicate:
 - 1) Number, individual ratings, and type of units comprising the above rating;
 - 2) General high voltage bus configuration and relay functions;
 - 3) Proposed generator step-up transformer MVA ratings, impedances, tap settings and winding voltage ratings;
 - Electrical studies as requested by the utility to demonstrate that the design is within acceptable limits, inclusive and limited to the following: system fault, relay coordination, flicker, voltage drop, and harmonics.

STEP 6: Utility Completes the CESIR

The CESIR will consist of two parts:

- (1) a review of the impacts to the utility system associated with the interconnection of the proposed system, and
- (2) a review of the proposed system's compliance with the applicable criteria set forth below.

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

A CESIR will be performed by the utility to determine if the proposed generation on the circuit results in any relay coordination, fault current, and/or voltage regulation problems. A full CESIR may not be needed if the aggregate generation is less than: 50 kW on a single-phase branch of a radial distribution circuit; or 150 kW on a single distribution feeder.

The CESIR shall be completed within sixty (60) business days of receipt of the information set forth in Step 5. For systems utilizing type-tested equipment, the time required to complete the CESIR may be reduced.

Upon completion of the CESIR, the utility will provide the following, in writing, to the applicant:

- (1) utility system impacts, if any;
- (2) notification of whether the proposed system meets the applicable criteria considered in the CESIR process;
- (3) if applicable, a description of where the proposed system is not in compliance with these requirements;
- (4) Subject to subsections (a) through (d) below, a good faith, detailed estimate of the total cost of completion of the interconnection of the proposed system and/or a statement of cost responsibility for a dedicated transformer(s) or other required interconnection equipment:
 - (a) with respect to an applicant that is not to be net-metered, an estimate shall be provided and shall include the costs associated with any required modifications to the utility system, administration, metering, and on-site verification testing;
 - (b) with respect to an applicant that is to be net-metered and that is either a Farm Wind or Non-Residential Wind applicant intending to install wind electric generating equipment with a rated capacity of more than 25 kW, an estimate shall be provided and (i) shall include the costs associated with any required modifications to the utility system, administration, metering, and on-site verification testing, and such applicant shall be informed that it is responsible for one-half of such costs, and (ii) shall include the applicant's responsibility for the actual cost of installing any dedicated transformer(s) and other safety equipment up to the maximum set forth in subsection (d) below;
 - (c) with respect to an applicant that is to be net-metered (but not a Farm Wind or Non-Residential Wind applicant covered in subsection (b) above) such applicant shall have no responsibility for the interconnection costs described in subsection (b)(i) above, and a statement shall be provided showing the applicant's responsibility for the actual cost of installing any dedicated transformer(s) and other safety equipment up to the maximum set forth in subsection (d) below and;

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

(d) with respect to an applicant that is to be net-metered, if the utility determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the applicant shall be informed of its responsibility for the actual costs for installing the dedicated transformer(s) and other safety equipment. The following table reflects the maximum responsibility each designated applicant shall have with respect to the actual cost of the dedicated transformer(s) and other safety equipment.

Maximum Expense for Dedicated Transformer and Other Safety Equipment for Net Metered Customers

Generator Type	Generator Size	Maximum Equipment Responsibility
Solar	Less than or equal to 25 kW	\$350
Solar	Over 25 kW up to 2 MW	\$5,000
Wind	Less than or equal to 25 kW	\$750
Wind	Over 25 kW up to 2 MW	\$5,000
Farm Wind	Over 25 kW up to 500 kW	\$5,000
Farm Waste	Up to 500 kW	\$5,000

STEP 7: Applicant Commits to Utility Construction of Utility's System Modifications.

The applicant and utility will execute a standardized contract for interconnection and the applicant will provide the utility with an advance payment for the utility's estimated costs as identified in Step 6 (estimated costs will be reconciled with actual costs in Step 11).

STEP 8: Project Construction.

The applicant will build the facility in accordance with the utility-accepted design. The utility will commence construction/installation of system modifications and metering requirements as identified in Step 6. Utility system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 6.

STEP 9: The Applicant's Facility is Tested in Accordance With the Standardized Interconnection Requirements.

The verification testing will be performed in accordance with the written test procedure provided in Step 5 and any site-specific requirements identified by the utility in Step 6. The final testing will be conducted within ten (10) business days of complete installation at a mutually agreeable time, and the utility shall be given the opportunity to witness the tests. If the utility opts not to witness the test, the applicant will send the utility within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SIR, the utility-accepted design, and the equipment manufacturer's instructions.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

STEP 10: Interconnection.

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 9. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

STEP 11: Final Acceptance and Utility Cost Reconciliation.

If the utility witnessed the verification testing, then, within ten (10) business days of the test, the utility will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. If the utility did not witness the verification testing, then, within ten (10) business days of receiving the written test notification from Step 9, the utility will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and utility set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within twenty (20) business days after being requested. Within ten (10) business days of the completion of the on-site verification, the utility will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. At this time, the utility will also reconcile its actual costs related to the applicant's project against the application fee and advance payments made by the applicant. The applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by the utility's reconciliation, except that a net metering applicant may not be charged in excess of the cost of installing the dedicated transformer(s) or other safety equipment described above in Step 6. The applicant may contest the reconciliation with the utility. If the applicant is not satisfied, a formal complaint may be filed with the Commission.

D. Web-Based Standard Interconnection Requirements

Each utility shall implement and maintain a web-based system to provide customers and contractors current information regarding the status of their SIR application process. The system shall be customer specific and post the current status of the SIR process. At a minimum the following content shall be provided:

1. The applicant's name and project/application identification number.
2. Description of the project, including at a minimum, the project's type (energy source), size, metering, and location.
3. SIR project application status, including all the steps completed and to be completed, along with corresponding completion/deadline dates associated with each step.
 - If the next action is to be taken by the utility, the expected date that action will be completed,
 - If the next action is to be taken by the applicant, what exactly is required and a contact for more information,
4. Information regarding any outstanding information request made by the utility of the applicant, and
5. The status of all amounts paid and/or due to the utility by the applicant.

Access shall be available for the customer and their contractor, such that both can access the information. The web site must be, however, secure and private from unauthorized access.

The utility web site shall also provide the ability for applicants with systems 25 kW and less to submit their application for interconnection via the web. The web based application process must be consistent with Appendix B of the SIR and include the ability to attach associated documentation or drawings associated with each project.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

Section II. Interconnection Requirements

A. Design Requirements

1. Common

The generator-owner shall provide appropriate protection and control equipment, including a protective device that utilizes an automatic disconnect device that will disconnect the generation in the event that the portion of the utility system that serves the generator is de-energized for any reason or for a fault in the generator-owner's system. The generator-owner's protection and control equipment shall be capable of automatically disconnecting the generation upon detection of an islanding condition and upon detection of a utility system fault.

The generator-owner's protection and control scheme shall be designed to ensure that the generation remains in operation when the frequency and voltage of the utility system is within the limits specified by the required operating ranges. Upon request from the utility, the generator-owner shall provide documentation detailing compliance with the requirements set forth in this document.

The specific design of the protection, control and grounding schemes will depend on the size and characteristics of the generator-owner's generation, as well the generator-owner's load level, in addition to the characteristics of the particular portion of the utility's system where the generator-owner is interconnecting.

The generator-owner shall have, as a minimum, an automatic disconnect device(s) sized to meet all applicable local, state, and federal codes and operated by over and under voltage and over and under frequency protection. For three-phase installations, the over and under voltage function should be included for each phase and the over and under frequency protection on at least one phase. All phases of a generator or inverter interface shall disconnect for voltage or frequency trip conditions sensed by the protective devices. Voltage protection shall be wired phase to ground for single phase installations and for applications using wye grounded-wye grounded service transformers.

The settings below are listed for single-phase and three-phase applications using wye grounded-wye grounded service transformers or wye grounded-wye grounded isolation transformers. For applications using other transformer connections, a site-specific review will be conducted by the utility and the revised settings identified in Step 6 of the Application Process.

The requirements set forth in this document are intended to be consistent with those contained in IEEE Std 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems. The requirements in IEEE Std 1547 above and beyond those contained in this document shall be followed.

Voltage Response

The required operating range for the generators shall be from 88% to 110% of nominal voltage magnitude. For excursions outside these limits the protective device shall automatically initiate a disconnect sequence from the utility system as detailed in the most current version of IEEE Std 1547. Clearing time is defined as the time the range is initially exceeded until the generator-owner's equipment ceases to energize the PCC and includes detection and intentional time delay.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

Frequency Response

The required operating range for the generators shall be from 59.3 Hz to 60.5 Hz. For generators greater than 30 kW the utility may request that the generator operate at frequency ranges below 59.3 Hz as defined in IEEE Std 1547. For excursions outside these limits the protective device shall automatically initiate a disconnect sequence from the utility system as detailed in the most current version of IEEE Std 1547. Clearing time is defined as the time the range is initially exceeded until the generator-owner's equipment ceases to energize the PCC and includes detection and intentional time delay.

If the generation facility is disconnected as a result of the operation of a protective device, the generator-owner's equipment shall remain disconnected until the utility's service voltage and frequency have recovered to acceptable voltage and frequency limits for a minimum of five (5) minutes. Systems greater than 25 kW that do not utilize inverter based interface equipment shall not have automatic recloser capability unless otherwise approved by the utility. If the utility determines that a facility must receive permission to reconnect, then any automatic reclosing functions must be disabled and verified to be disabled during verification testing.

2. Synchronous Generators

Synchronous generation shall require synchronizing facilities. These shall include automatic synchronizing equipment or manual synchronizing with relay supervision, voltage regulator, and power factor control.

For all synchronous generators sufficient reactive power capability shall be provided by the generator-owner to withstand normal voltage changes on the utility's system. The generator voltage VAR schedule, voltage regulator, and transformer ratio settings shall be jointly determined by the utility and the generator-owner to ensure proper coordination of voltages and regulator action. Generator-owners shall have synchronous generator reactive power capability to withstand voltage changes up to 5% of the base voltage levels.

A voltage regulator must be provided and be capable of maintaining the generator voltage under steady state conditions within plus or minus 1.5% of any set point and within an operating range of plus or minus 5% of the rated voltage of the generator.

Generator-owners shall adopt one of the following grounding methods for synchronous generators:

- a) Solid grounding
- b) High- or low-resistance grounding
- c) High- or low-reactance grounding
- d) Ground fault neutralizer grounding

Synchronous generators shall not be permitted to connect to utility secondary network systems without the approval of the utility.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

3. Induction Generators

Induction generation may be connected and brought up to synchronous speed (as an induction motor) if it can be demonstrated that the initial voltage drop measured at the PCC is acceptable based on current inrush limits. The same requirements also apply to induction generation connected at or near synchronous speed because a voltage dip is present due to an inrush of magnetizing current. The generator-owner shall submit the expected number of starts per specific time period and maximum starting kVA draw data to the utility to verify that the voltage dip due to starting is within the visible flicker limits as defined by IEEE Std 519, Recommended Practices and Requirements for Harmonic Control in Electric Power Systems.

Starting or rapid load fluctuations on induction generators can adversely impact the utility's system voltage. Corrective step-switched capacitors or other techniques may be necessary. These measures can, in turn, cause ferroresonance. If these measures (additional capacitors) are installed on the customer's side of the PCC, the utility will review these measures and may require the customer to install additional equipment.

4. Inverters

Direct current generation can only be installed in parallel with the utility's system using a synchronous inverter. The design shall be such as to disconnect this synchronous inverter upon a utility system interruption.

It is recommended that equipment be selected from the "Certified Equipment" list maintained by the PSC. Interconnected Distributed Generating systems utilizing equipment not listed in the "Certified Equipment" list must meet all functional requirements of IEEE Std 1547 and be protected by utility grade relays (as defined in these requirements) using settings approved by the utility and verified in the field. The field verification test must demonstrate that the equipment meets the voltage and frequency requirements detailed in this section.

Synchronization or re-synchronization of an inverter to the utility system shall not result in a voltage deviation that exceeds the requirements contained in Section II.E, Power Quality. Only inverters designed to operate in parallel with the utility system shall be utilized for that purpose.

A line inverter can be used to isolate the customer from the utility system provided it can be demonstrated that the inverter isolates the customer from the utility system safely and reliably.

5. Minimum Protective Function Requirements

Protective system requirements for distributed generation facilities result from an assessment of many factors, including but not limited to:

- Type and size of the distributed generation facility
- Voltage level of the interconnection
- Location of the distributed generation facility on the circuit
- Distribution transformer
- Distribution system configuration
- Available fault current
- Load that can remain connected to the distributed generation facility under isolated conditions
- Amount of existing distributed generation on the local distribution system.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

As a result, protection requirements can not be standardized according to any single criteria.

Minimum protective function requirements shall be as detailed in the table below. ANSI C37.2, Electric Power System Device Function Numbers, are listed with each function.

Synchronous Generators	Induction Generators	Inverters
Over/Under Voltage (Function 27/59)	Over/Under Voltage (Function 27/59)	Over/Under Voltage (Function 27/59)
Over/Under Frequency (Function 81O/81U)	Over/Under Frequency (Function 81O/81U)	Over/Under Frequency (Function 81O/81U)
		Anti-Islanding Protection

The need for additional protective functions shall be determined by the utility on a case-by-case basis. If the utility determines a need for additional functions, it shall notify the generator-owner in writing of the requirements. The notice shall include a description of the specific aspects of the utility system that necessitate the addition, and an explicit justification for the necessity of the enhanced capability. The utility shall specify and provide settings for those functions that the utility designates as being required to satisfy protection practices. Any protective equipment or setting specified by the utility shall not be changed or modified at any time by the generator-owner without written consent from the utility.

The generator-owner shall be responsible for ongoing compliance with all applicable local, state, and federal codes and standardized interconnection requirements as they pertain to the interconnection of the generating equipment. Protective devices shall utilize their own current transformers and potential transformers and not share electrical equipment associated with utility revenue metering.

A failure of the generator-owner's protective devices, including loss of control power, shall open the automatic disconnect device, thus disconnecting the generation from the utility system. A generator-owner's protection equipment shall utilize a non-volatile memory design such that a loss of internal or external control power, including batteries, will not cause a loss of interconnection protection functions or loss of protection set points.

All interface protection and control equipment shall operate as specified independent of the calendar date.

6. Metering

The need for additional revenue metering or modifications to existing metering will be reviewed on a case-by-case basis and shall be consistent with metering requirements adopted by the Commission.

Any incremental metering costs are included in interconnection costs that may be required of an applicant. (As described in Section C, Step 6, net metered Solar, Farm Waste, Farm Wind (25 kW or Less) and Residential-Wind customer-generators are only required to contribute to the cost of dedicated transformer(s) and other safety equipment, and Farm Wind and Non-Residential Wind customer-generators with systems of 25 kW and larger are only responsible for payment of one-half of interconnection costs other than dedicated transformer(s) and other safety equipment).

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

The following Table summarizes the New York Net Metering Rules

New York - Net Metering¹

Incentive Type:	Net Metering Rules					
Eligible Renewable/Other Technologies:	Solar		Wind			Biogas
Applicable Sectors:	Residential	Non-Residential	Residential	Non-Residential	Farm-Service Wind	Farm-Waste
Limit on System Size:	25 kW	Up to 2MW ²	25 kW	Up to 2MW ²	500 kW	500 kW
Limit on Overall Enrollment:	1% of the total Solar and Farm Waste 2005 Demand per IOU		.3% of 2005 Demand per IOU		.3% of 2005 Demand per IOU	1% of the total Solar and Farm Waste 2005 Demand per IOU

¹ Refer to specific utility tariff leaves for more detailed rules and regulations applicable to net metering.

² The lesser of 2MW or such customer's peak load as measured over the prior twelve month period, pursuant to New York State Public Service Law §66-j and §66-l.

B. Operating Requirements

The generator-owner shall provide a 24-hour telephone contact. This contact will be used by the utility to arrange access for repairs, inspection or emergencies. The utility will make such arrangements (except for emergencies) during normal business hours.

Voltage and frequency trip set point adjustments shall be accessible to service personnel only. Any changes to these settings must be reviewed and approved by the utility.

The generator-owner shall not supply power to the utility during any outages of the utility system that serves the PCC. The generator-owner's generation may be operated during such outages only with an open tie to the utility. Islanding will not be permitted. The generator-owner shall not energize a de-energized utility circuit for any reason.

The disconnect switch specified for system size larger than 25kW and non-inverter based systems of 25 kW or less in Section II.D, Disconnect Switch, may be opened by the utility at any time for any of the following reasons:

- to eliminate conditions that constitute a potential hazard to utility personnel or the general public;
- pre-emergency or emergency conditions on the utility system;
- a hazardous condition is revealed by a utility inspection;
- protective device tampering;
- parallel operation prior to utility approval to interconnect.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

The disconnect switch may be opened by the utility for the following reasons, after notice to the responsible party has been delivered and a reasonable time to correct (consistent with the conditions) has elapsed:

- a. A generator-owner has failed to make available records of verification tests and maintenance of its protective devices;
- b. A generator-owner's system adversely impacts the operation of utility equipment or equipment belonging to other utility customers;
- c. A generator-owner's system is found to adversely affect the quality of service to adjoining customers.

The utility will provide a name and telephone number so that the generator-owner can obtain information about the utility lock-out.

The generator-owner shall be allowed to disconnect from the utility without prior notice in order to self generate.

Under certain conditions a utility may require direct transfer trip (DTT). The utility shall provide detailed evidence as to the need for DTT.

If a generator-owner proposes any modification to the system that has an impact on the interface at the PCC after it has been installed and a contract between the utility and the generator-owner has already been executed, then any such modifications must be reviewed and approved by the utility before the modifications are made.

C. Dedicated Transformer

The utility reserves the right to require a power-producing facility to connect to the utility system through a dedicated transformer. The transformer shall either be provided by the connecting utility at the generator-owner's expense, purchased from the utility, or conform to the connecting utility's specifications. The transformer may be necessary to ensure conformance with utility safe work practices, to enhance service restoration operations or to prevent detrimental effects to other utility customers. The transformer that is part of the normal electrical service connection of a generator-owner's facility may meet this requirement if there are no other customers supplied from it. A dedicated transformer is not required if the installation is designed and coordinated with the utility to protect the utility system and its customers adequately from potential detrimental net effects caused by the operation of the generator.

If the utility determines a need for a dedicated transformer, it shall notify the generator-owner in writing of the requirements. The notice shall include a description of the specific aspects of the utility system that necessitate the addition, the conditions under which the dedicated transformer is expected to enhance safety or prevent detrimental effects, and the expected response of a normal, shared transformer installation to such conditions.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

D. Disconnect Switch

Generating equipment with system size larger than 25 kW and non-inverter based systems of 25 kW or less shall be capable of being isolated from the utility system by means of an external, manual, visible, gang-operated, load break disconnecting switch. The disconnect switch shall be installed, owned, and maintained by the customer-generator, and located between the generating equipment and its interconnection point with the utility system.

The disconnect switch must be rated for the voltage and current requirements of the installation.

The basic insulation level (BIL) of the disconnect switch shall be such that it will coordinate with that of the utility's equipment. Disconnect devices shall meet applicable UL, ANSI, and IEEE standards, and shall be installed to meet all applicable local, state, and federal codes. (New York City Building Code may require additional certification.)

The disconnect switch shall be clearly marked, "Generator Disconnect Switch," with permanent 3/8 inch or larger letters or larger.

The disconnect switch shall be located within 10 feet of the utility's external electric service meter. If such location is not possible, the customer-generator will propose, and the utility will approve, an alternate location. The location and nature of the disconnect switch shall be indicated in the immediate proximity of the electric service entrance. The disconnect switch shall be readily accessible for operation and locking by utility personnel in accordance with Section II.B, Operating Requirements. The disconnect switch must be lockable in the open position with a 3/8" shank utility padlock.

For installations above 600V or with a full load output of greater than 960A, a draw-out type circuit breaker with the provision for padlocking at the draw-out position can be considered a disconnect switch for the purposes of this requirement.

E. Power Quality

The maximum harmonic limits for electrical equipment shall be in accordance with IEEE 519 to limit the maximum individual frequency voltage harmonic to 3% of the fundamental frequency and the voltage Total Harmonic Distortion (THD) to 5% on the utility side of the PCC. In addition, any voltage fluctuation resulting from the connection of the customer's energy producing equipment to the utility system must not exceed the limits defined by the maximum permissible voltage fluctuations border line of visibility curve identified in IEEE Std 519. This requirement is necessary to minimize the adverse voltage effect upon other customers on the utility system.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

F. Power Factor

If the average power factor, as measured at the PCC, is less than 0.9 (leading or lagging), the method of power factor correction necessitated by the installation of the generator will be negotiated with the utility as a commercial item.

Induction power generators may be provided VAR capacity from the utility system at the generator-owner's expense. The installation of VAR correction equipment by the generator-owner on the generator-owner's side of the PCC must be reviewed and approved by the utility prior to installation.

G. Islanding

Generation interconnection systems must be designed and operated so that islanding is not sustained on utility distribution circuits. The requirements listed in this document are designed and intended to prevent islanding.

H. Equipment Certification

In order for the equipment to be acceptable for interconnection to the utility system without additional protective devices, the interface equipment must be equipped with the minimum protective function requirements listed in the table in Section II.A.5 and be tested by a Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration (OSHA) in compliance with Underwriter's Laboratories (UL) 1741, Inverters, Converters, Controllers and Interconnection System Equipment for Use With Distributed Energy Resources (November 7, 2005 revision).

For each interconnection application, documentation including the proposed equipment certification, stating compliance with UL 1741 by an NRTL, shall be provided by the applicant to the utility. Supporting information from an NRTL website or UL's website stating compliance is acceptable for documentation.

If an equipment manufacturer, vendor, or any other party desires, documentation indicating compliance as stated above may be submitted to the Department of Public Service Commission for listing under the "Certified Equipment" list on the Department's website (<http://www.dps.state.ny.us/distgen.htm>).

Certification information for equipment tested and certified to UL 1741 (November 2005 revision) by a non-NRTL shall be provided by the manufacturer, or vendor to the contacts listed on the Public Service Commission's website (<http://www.dps.state.ny.us/distgen.htm>) for review before final approval and posting under the Public Service Commission's "Certified Equipment" list. Utilities are not responsible for reviewing and approving equipment tested and certified by a non-NRTL.

If an equipment is UL 1741 (November 2005 revision) certified by an NRTL and compliance documentation is submitted to the utility, the utility shall accept such equipment for interconnection in New York state. All equipment certified to UL 1741 (November 2005 revision) by an NRTL shall be deemed 'certified equipment' even if it does not appear on the Department of Public Service Commission's website.

Utility grade relays need not be certified per the requirements of this section.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

I. Verification Testing

All interface equipment must include a verification test procedure as part of the documentation presented to the utility. Except for the case of small single-phase inverters as discussed later, the verification test must establish that the protection settings meet the SIR requirements. The verification testing may be site-specific and is conducted periodically to assure continued acceptable performance.

Upon initial parallel operation of a generating system, or any time interface hardware or software is changed, the verification test must be performed. A qualified individual must perform verification testing in accordance with the manufacturer's published test procedure. Qualified individuals include professional engineers, factory-trained and certified technicians, and licensed electricians with experience in testing protective equipment. The utility reserves the right to witness verification testing or require written certification that the testing was successfully performed.

Verification testing shall be performed at least once every four years. All verification tests prescribed by the manufacturer shall be performed. If wires must be removed to perform certain tests, each wire and each terminal must be clearly and permanently marked. The generator-owner shall maintain verification test reports for inspection by the utility.

Single-phase inverters and inverter systems rated 25 kW and below shall be verified upon initial parallel operation and once every four years as follows: the generator-owner shall interrupt the utility source and verify that the equipment automatically disconnects and does not reconnect for at least five minutes after the utility source is reconnected. The owner shall maintain a log of these operations for inspection by the connecting utility. Any system that depends upon a battery for trip power shall be checked and logged at least annually for proper voltage. Once every four (4) years the battery must be either replaced or a discharge test performed.

J. Interconnection Inventory

To ensure applications are addressed in a timely manner and monitor the overall interconnection activities, utilities shall submit an SIR inventory of projects to the Public Service Commission by January 31 and July 31 of each year. At a minimum the following information shall be provided in the inventory:

1. Company
2. Applicant Name
3. System Type
4. System Capacity
5. Net Metered (Yes/No)
6. Protective Equipment
7. Application Review Start and End date
8. Preliminary Review Start and End date
9. CESIR Start and End date
10. Verification Testing date
11. Final Letter of Acceptance date

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

Section III. Glossary of Terms

Automatic Disconnect Device: An electronic or mechanical switch used to isolate a circuit or piece of equipment from a source of power without the need for human intervention.

Cease to Energize: Cessation of energy flow capability

Coordinated Electric System Interconnection Review: Any studies performed by utilities to ensure that the safety and reliability of the electric grid with respect to the interconnection of distributed generation as discussed in this document.

Customer-Generator: A utility customer who owns or operates electric generating equipment located and used at the customer's premises, and/or the customer's agent.

Dedicated Transformer: A transformer with a secondary winding that serves only one customer.

Direct Transfer Trip: Remote operation of a circuit breaker by means of a communication channel.

Disconnect (verb): To isolate a circuit or equipment from a source of power. If isolation is accomplished with a solid-state device, "Disconnect" shall mean to cease the transfer of power.

Disconnect Switch: A mechanical device used for isolating a circuit or equipment from a source of power.

Draw-out Type Circuit Breaker: Circuit breakers that are disconnected by physically separating, or racking, the breaker assembly away from the switchgear bus.

Farm Waste, Net Meter, Farm Applicant: A farm applicant who is proposing to install a farm waste anaerobic digester generating system, not to exceed 500 kW, at a farm, per the requirements of New York State Public Service Law §66-j.

Generator-Owner: An applicant to operate on-site power generation equipment in parallel with the utility grid per the requirements of this document.

Islanding: A condition in which a portion of the utility system that contains both load and distributed generation is isolated from the remainder of the utility system. (Adopted from IEEE 929.)

Point of Common Coupling: The point at which the interconnection between the electric utility and the customer interface occurs. Typically, this is the customer side of the utility revenue meter.

Preliminary Review: A review of the generator-owner's proposed system capacity, location on the utility system, system characteristics, and general system regulation to determine if the interconnection is viable.

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53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY DISTRIBUTION SYSTEMS (Continued)

Protective Device: A device that continuously monitors a designated parameter related to the operation of the generation system that operates if preset limits are exceeded

Required Operating Range: The range of magnitudes of the utility system voltage or frequency where the generator-owner's equipment, if operating, is required to remain in operation for the purposes of compliance with UL 1741. Excursions outside these ranges must result in the automatic disconnection of the generation within the prescribed time limits.

Solar, Net Meter, Residential Applicant: A residential applicant who is proposing to install a photovoltaic generating system, not to exceed 25 kW, in an owner occupied residence per the requirements of New York State Public Service Law §66-j.

Solar, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a solar generating system located and used at the applicant's premises, not to exceed the customer's peak load as measured over the prior 12 month period or 2 MW, whichever is less, pursuant to New York State Public Service Law §66-j.

Utility Grade Relay: A relay that is constructed to comply with, as a minimum, the most current version of the following standards for non-nuclear facilities:

<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI/IEEE C37.90</u>	Usual Service Condition Ratings - Current and Voltage Maximum design for all relay AC and DC auxiliary relays Make and carry ratings for tripping contacts Tripping contacts duty cycle Dielectric tests by manufacturer Dielectric tests by user
<u>ANSI/IEEE C37.90.1</u>	Surge Withstand Capability (SWC) Fast Transient Test
<u>IEEE C37.90.2</u>	Radio Frequency Interference
<u>IEEE C37.98</u>	Seismic Testing (fragility) of Protective and Auxiliary Relays
<u>ANSI C37.2</u>	Electric Power System Device Function Numbers
<u>IEC 255-21-1</u>	Vibration
<u>IEC 255-22-2</u>	Electrostatic Discharge
<u>IEC 255-5</u>	Insulation (Impulse Voltage Withstand)

GENERAL INFORMATION

53. STANDARDIZED INTERCONNECTION REQUIREMENTS AND APPLICATION PROCESS FOR NEW
DISTRIBUTED GENERATORS 2 MW OR LESS CONNECTED IN PARALLEL TO UTILITY
DISTRIBUTION SYSTEMS (Continued)

Verification Test: A test performed upon initial installation and repeated periodically to determine that there is continued acceptable performance.

Wind, Net Meter, Residential Applicant: A residential applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 25 kW, located and used at the applicant's primary residence, per the requirements of New York State Public Service Law §66-1.

Wind, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a wind electric generating system located and used at the applicant's premises, not to exceed the customer's peak load as measured over the prior 12-month period or 2 MW, whichever is less, pursuant to New York State Public Service Law §66-1.

Wind, Net Meter, Farm Applicant: A farm applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 500 kW, located and used at the applicant's primary residence, per the requirements of New York State Public Service Law §66-1.

GENERAL INFORMATION

54. EMERGENCY DEMAND RESPONSE CURTAILMENT PROGRAM OFFERINGS

Purpose: In response to Commission Order 00-E-2054, the Company offers the following jointly sponsored curtailment Programs. These programs are established to provide customers with the proper economic incentive to respond to Emergency Operating Conditions as identified by the New York Independent System Operator ("NYISO").

54.1 Emergency Demand Response Program Via Voluntary Load Curtailment-provides the New York Independent System Operator ("NYISO") through the Company with the right to call upon the Customer to curtail load in the event the NYISO experiences Emergency Operating Conditions. Participation in the program and participation in an Emergency Curtailment Event are voluntary.

Customers must be able to provide a minimum of 100 kW of load reduction.

Customers must be served under Service Classification Nos. 2D, 3, 3A, 4 or in S.C. Nos. 11 or 12 as amended by their Customer Service Agreements.

Eligibility is limited to those customers who have interval based meters. All customers wishing to participate must execute Form L9 of the Tariff.

54.2 Emergency Demand Response Program Via On-Site Generation-provides the New York Independent System Operator ("NYISO") through the Company, with the right to call upon the Customer to remove electric load from the distribution system by replacing it with electricity generated by a Customer's On-Site Generation System in the event the NYISO experiences Emergency Operating Conditions. Participation in the program and participation in an Emergency Curtailment Event are voluntary and there are no penalties for non-compliance.

Generators must be capable of providing a minimum of 100 kW of load reduction, inclusive of losses.

Generators must not be synchronized to Niagara Mohawk's local distribution system, or if synchronized to the local distribution system, must support a load that is equal to or in excess of the generator's capacity. On-site generators that are base loaded do not qualify for the Emergency Demand Response Program.

Customers must have an executed Form G or Form G_f with the Company.

54.3 Eligibility is limited to those customers who have interval based meters on load. All customers wishing to participate must execute Form L10 of the Tariff.

GENERAL INFORMATION

54. EMERGENCY DEMAND RESPONSE CURTAILMENT PROGRAM OFFERINGS (Continued)

54.4 Customers may participate in one or more Demand Response programs, subject to the requirements of each of those programs, provided however, incentives paid to participating customers will only be made under one program per curtailment event. Customers participating in more than one program will be paid the highest incentive available under any of the programs the customer is enrolled in which would apply to the curtailment event.

54.5 The Company shall process customer applications on Company prescribed forms within seven (7) calendar days or less, provided however, the Company will only call upon customer to curtail after the customer has been registered with the NYISO pursuant to the NYISO requirements. The Company shall notify the customer when they may first be called upon to respond to an Emergency Curtailment Event.

GENERAL INFORMATION

55. DAY AHEAD DEMAND RESPONSE PROGRAM OFFERINGS

Purpose: In response to Commission Order 00-E-2054, the Company offers the following jointly sponsored curtailment program. This program is established to provide customers with the proper economic incentives to respond to a call for curtailable load as identified by the New York Independent System Operator ("NYISO").

55.1 Day Ahead Demand Response Program Via Load Curtailment - provides the New York Independent System Operator ("NYISO"), through the Company, with the right to call upon one or more customer(s) to curtail electric load. Company shall submit on behalf of the customer(s), a decremental load bid pursuant to the customer's agreement with the Company. In the event the NYISO selects that decremental bid, in order to reduce costs for all customers, customer will be requested to respond to a curtailment event.

Participation in the program is voluntary while bids submitted to the NYISO are at the Company's discretion. Payments are made to customers for responding to a call for curtailment. Customers who do not respond to a curtailment event may be subject to a non-compliance penalty.

Eligibility is limited to those customers who have interval based meters and can reduce a minimum of 100 kW of electric load per curtailment event.

All customers wishing to participate must execute Form L11 of the Tariff.

GENERAL INFORMATION

56. INCREMENTAL STATE ASSESSMENT SURCHARGE (“ISAS”):

56.1 The rates and charges under PSC No. 220, Service Classifications 1, 1C, 2, 3, 3A, 4, 7 and all PSC No. 214 service classifications, shall be increased by a surcharge to recover the Temporary State Energy And Utility Service Conservation Assessment pursuant to Chapter 59 of the Laws of 2009, Public Service Law §18-a(6). Beginning July 1, 2009 and each July 1st thereafter, the Incremental State Assessment Surcharge (“ISAS”) shall be designed to recover the Incremental State Assessment and other allowable associated costs as determined in Case 09-M-0311, “Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to PSL §18-a(6)”.

56.1.1 This surcharge may also be applicable to PSC No. 220 Service Classifications Nos. 11 and 12 in accordance with the terms of their individual contracts.

56.1.2 The surcharge will also be applicable to kW consumption associated with Empire Zone qualifying load and NYPA hydro sales under SC No. 4, Replacement and Expansion Power, Economic Development Power, Power for Jobs.

56.2 The Incremental State Assessment shall be allocated to each service classification based on the percentage of each service classification’s contribution to the total projected Intrastate Revenue (both delivery and supply) and delivery revenue associated with Rule No. 56.1.2, including estimated sales revenues for the electricity supply sold to end-use customers by ESCos.

56.2.1 The ISAS shall be calculated by dividing the amount of Temporary State Energy and Utility Service Conservation Assessment for each service class as determined in Rule 56.2 by the forecasted annual sales.

56.2.2 The ISAS will be collected on a volumetric basis, per kWh for non-demand classes and per kW for demand service classifications.

56.2.3 Recoveries resulting from the Incremental State Assessment Surcharge shall be reconciled as determined in Case 09-M-0311, “Implementation of Chapter 59 of the Laws of 2009 Establishing a Temporary Annual Assessment Pursuant to PSL §18-a(6)”.

56.3 The ISAS will be shown on statements filed with the Public Service Commission not less than fifteen (15) business days before the date on which the statement is proposed to be effective.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 264
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

APPLICATION FOR ELECTRIC SERVICE

FORM "A"

Date _____ 19 ____

THE UNDERSIGNED, (hereinafter called "Customer") hereby applies to NIAGARA MOHAWK POWER CORPORATION (hereinafter called "Company") to supply electric service for use upon the premises located

period of _____ from _____ 19 _____ and thereafter until canceled. Customer agrees to observe and perform all rules and regulations of Company and to pay the rates provided by Service Classification No. _____ of P.S.C. No. _____ filed with the Public Service Commission of the State of New York as the same may be from time to time changed, amended and/or supplemented. Customer further agrees that if the premises are to be served from a line Extension constructed, or to be constructed, in pursuance of the Line Extension rules of General Information leaves of Company's Rate Schedule, Customer will pay the surcharges or minimum charges required under said rule.

Customer

By _____

ACCEPTED:

NIAGARA MOHAWK POWER CORPORATION

By _____

**NIAGARA MOHAWK POWER CORPORATION
APPLICATION FOR ELECTRIC EXTENSIONS
FORM "B"**

Applicant's Name _____ Date _____

The Applicant hereby requests an electric line extension located at _____ in the
_____ of _____, County of _____.

As a condition for receipt of service in response to this Application, the Applicant agrees as follows:

1. To grant to the Company free of cost, satisfactory permits, right-of-way agreements and easements for tree-trimming, construction, maintenance and operation of the electric line and the facilities through, upon, under and along the applicant's property.
2. To sign and accept the rights and responsibilities contained in Company's Application for Electric Service, Form "A".
3. a. To pay a lump sum payment for the cost of any right-of-way agreements, easements, permits or distribution costs (in excess of any allowances).
b. If the applicant is a residing applicant, applicant may elect to pay a ten-year surcharge in lieu of a lump sum payment. Such charge will be collected by the utility from any subsequent owner(s) of the property.

APPLICANT AGREES TO PROVIDE WRITTEN NOTICE TO ANY PROSPECTIVE PURCHASERS OF THIS PROPERTY THAT A UTILITY SURCHARGE IS IN EFFECT, PRIOR TO CLOSING ON THE SALE OF SUCH PROPERTY. APPLICANT'S FAILURE TO PROVIDE WRITTEN NOTICE DESCRIBED HEREIN, SHALL NOT RELIEVE APPLICANT OF CONTINUING RESPONSIBILITY FOR SUCH SURCHARGES.

**Cost of Facilities
Distribution Line**

_____	-	_____	=	_____	x	_____	=	_____
Total Footage		Allowance Footage		Excess Footage		Excess Footage		Excess Cost

Service Line (Not Applicable for Underground)

_____	-	_____	=	_____	x	_____	=	_____
Total Footage		Allowance Footage		Excess Footage		Excess Footage		Excess Cost

+ _____
Excess Facilities Cost

Lump Sum Calculation

_____	x	_____	=	_____
Excess Facilities Cost		Sales Tax Rate		Sales Tax Amount

_____	+	_____	=	_____
Excess Facilities Cost		Sales Tax Amount		Lump Sum Payment Amount

Surcharge Calculation

\$ _____	x	_____	=	\$ _____
Excess Facilities Cost		Monthly Interest Factor		Monthly Ten-Year Surcharge Amount*

***If applicable, the monthly surcharge amount will be adjusted for sales tax when billed.**

The Applicant elects to pay; Lump Sum [], or Surcharge [].

The Terms and Conditions used on the surcharge calculation are explained on the back.

The Applicant understands and agrees that the necessary facilities will not be installed until all necessary applicants have applied for service pursuant to this Tariff, all easements and/or right-of-way agreements have been granted, permits obtained, and the applicant's premises have been properly wired, inspected, approved and proper certification submitted to the Company by an appropriate certified agency.

Applicant Signature _____

Date _____

Accepted By NMPC _____

Date _____

**APPLICATIONS FOR ELECTRIC OVERHEAD EXTENSIONS
FORM "B" (Continued)**

INFORMATION ABOUT YOUR SURCHARGE CALCULATION:

The surcharge is:

- an additional payment to the utility's normal charges for residential service.
- repayment of the applicant's share of the cost for labor and materials for the installation of the extension and, if elected, costs for service line installation and for obtaining right-of-way easements.
- convertible to a lump sum payment at any point during the ten year period. The applicant shall pay the remaining principal amount, including applicable sales tax. The remaining interest will not be included in the pay-off amount.
- retractable, will cease, if in any two consecutive calendar years during the ten year period of the initial applicant's taking service from the extension, the total revenue from all customers served from the extension exceeds 1.5 times the reasonable actual capital costs of the total distribution line.
- adjustable as a new applicant(s) takes service from the extension during the ten year period of its first being available to render service. The existing customer's surcharge will be reviewed, recalculated and reduced for the remaining payment period, using the initial interest factor, and any overpayment of principal will be refunded. If residence has been sold prior to a refund coming due, the current owner (owner at time of refund) will receive the refund.
- calculated using an interest factor as stated on the face of this application. The interest factor is calculated as follows:

$$(C/12)/(1-(1+(C/12))^{-120})$$

where C is the Company's weighted pre-tax cost of capital
awarded to the utility in the most recent rate proceeding.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 267
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SUPERSEDING REVISION:

GENERAL INFORMATION
APPLICATION FOR ELECTRIC UNDERGROUND LINE EXTENSION
FORM "D"

Date _____ 19 ____

THE UNDERSIGNED (hereinafter called "Applicant") hereby applies to NIAGARA MOHAWK POWER CORPORATION (hereinafter called "Company") for an underground extension of its electric distribution system to and within the plot of land designated on the attached survey map and located within the (Town, Village, City) of _____, County of _____. This application is limited to the installation of underground facilities necessary to serve the areas designated on the attached map and the connecting supply line, if any, to supply service initially to _____ dwelling units designated thereon. Such installation shall be made pursuant to the rules applicable to extension of underground residential distribution lines set forth in the Company's Schedule for Electric Service P.S.C. No. 220, which is hereby referred to and made a part hereof, and to the rates, rules, regulations, terms and conditions therein set forth, applicable to the particular service to be supplied hereunder, as now in effect and as the same may be from time to time changed, amended, and/or supplemented.

Applicant agrees to comply with all provisions of said schedules including the requirement for obtaining and delivery to Company of satisfactory permanent easements or rights-of-way. Company shall not be obligated to commence construction until applicant has complied with all the requirements set forth in said schedule.

Applicant shall make an advance contribution as required under Rule 16.4.3 and Rule 16.5.1 in the amount of \$ _____.

Applicant shall also provide a Letter of Credit or make a deposit in the amount of \$ _____ to guarantee completion and attachment of service of all the above mentioned dwelling units.

Company will make appropriate refunds thereafter as provided in its said rate schedule. The refund period for this contract is five years.

Subsequent to Company's installation of underground facilities and throughout the duration of property ownership, Company shall be reimbursed for all costs incurred, due to damage sustained or relocation work performed as a consequence of changes in property grading or revision of property lines, by the applicant (s) or owner (s) of record responsible.

Applicant: _____

Accepted: NIAGARA MOHAWK POWER CORPORATION

By _____

Date of Acceptance: _____

GENERAL INFORMATION
APPLICATION FOR ELECTRIC SERVICE
FORM "C"

Date _____ 20__

THE UNDERSIGNED (hereinafter called "Customer") hereby applies to NIAGARA MOHAWK POWER CORPORATION (hereinafter called "Company") to supply electric energy at approximately _____ volts _____ cycle _____ phase and _____ wire for use upon premises located _____ for and during the period of _____ from _____ 20 __ and thereafter until terminated by prior notice to Company as provided in Service Classification No. ____ of P.S.C. No. 220 or until superseded by an executed agreement for service with a successor customer.

The point of delivery shall be _____.
Transformers are to be supplied by _____.

Service under this agreement is supplied subject to the following Special Provisions:

Company agrees to deliver _____ kilowatts of demand and associated energy determined in accordance with the Electric Service P.S.C. Tariff No. 220. Customer agrees to pay all charges for such delivery as determined in accordance with the Electric Service P.S.C. Tariff No. 220.

This application and the furnishing of electric service hereunder are subject in all respects to the provisions of the Company's Schedule for Electric Service P.S.C. No. 220, which is hereby referred to and made a part hereof, and to the rates, rules, regulations, terms and conditions therein set forth, applicable to the particular service to be supplied hereunder, as now in effect and as the same may be from time to time changed, amended, and/or supplemented.

The complete rate schedule may be examined by the applicant at any office of the Company where applications for service are received, on the New York State Department of Public Service web site at www.dps.state.ny.us, or through the Niagara Mohawk Power Corporation web site at www.niagaramohawk.com. Terms and conditions of service as set forth herein shall not be modified except by a superseding written contract between the parties.

Upon acceptance by Company this agreement shall constitute a contract between the parties for the delivery of _____ kW of demand and associated energy, determined in accordance with the Electric Service P.S.C. Tariff No. 220.

Customer
By _____

Title

Federal Tax ID Number

ACCEPTED:
NIAGARA MOHAWK POWER CORPORATION
By _____

Title

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 269
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GENERAL INFORMATION

RIDER

(To be attached to Form _____)

Date _____ 19 ____

THE UNDERSIGNED, taking service from the Company in pursuance of Service Classification No. _____ of P.S.C. No. _____ under a contract upon From _____, hereby applies to Company to take and pay for service subject to the terms and conditions stated in Special Provision _____ of said Service Classification or in Rule _____ of Schedule P.S.C. No. _____ for a period commencing _____.

Customer

By _____

Title

ACCEPTED:
NIAGARA MOHAWK POWER CORPORATION

By _____

Title

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NIAGARA MOHAWK POWER CORPORATION
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GENERAL INFORMATION

RIDER FOR SEPARATE METER

Applicable to Service under any Service Classification

Date _____ 19 ____

The UNDERSIGNED hereby requests that the service taken pursuant to this agreement shall be measured separately from any other service taken at the location provided for herein under the same Service Classification and understands (a) that the circuit or circuits connected on the load side of each meter are kept separate from all other circuits, and (b) that a separate bill shall be rendered for the service taken hereunder.

Customer

By _____

Title

ACCEPTED:
NIAGARA MOHAWK POWER CORPORATION

By _____

Title

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NIAGARA MOHAWK POWER CORPORATION
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GENERAL INFORMATION

RIDER FOR COMBINED METERING AND BILLING

Applicable to Service under Service Classification Nos. 3 and 4

Date _____ 19 ____

Company has determined that Customer's load requirements are such that pursuant to Rule 25.1.4.4 of the General Information Leaves of P.S.C. No. 220, Company will provide total service at Customer's single location through more than one feeder, and Company has so designated.

Customer and Company agree that service under Service Classification No. _____ of P.S.C. No. 220, or superseding issues thereof, may upon execution of Form "C" with this rider attached be taken and paid for by Customer as follows:

The kilowatt Demand shall be the maximum sum of the coincident demand on all feeders, measured at delivery voltage on each feeder by a single meter and totaled by an approved method. The RkVA demands shall be similarly determined and totaled and the billing determinants shall be the sum of the billing determinants recorded by the separate meters.

NIAGARA MOHAWK POWER CORPORATION

By _____

Title

ACCEPTED:

Customer

By _____

Title

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

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Sales or Delivery Service Application

Non-Residential Customer

This application is for Non-Residential electric and/or gas service with Niagara Mohawk, a National Grid Company. Please do not use this form to apply for Residential rates.

As a Niagara Mohawk non-residential customer, you agree to pay for service according to the rates, charges and terms of your service classification and in accordance with the provisions of the applicable (electric and gas) Niagara Mohawk rate schedule. Copies of our rate schedules are available upon request or at our website www.niagaramohawk.com.

Special Note to Applicant: A Security Deposit may be required based on a credit analysis.

Please print your answers and sign Part C at the end of this application.

Today's Date:		FOR OFFICE USE ONLY Account Number:	
<i>To be completed by ALL applicants:</i> The Public Service Law, Section 76, permits certain corporations or associations organized and conducted in good faith for religious purposes, including the operation by such corporation or association of a school, notwithstanding that secular subjects are taught at such school, certain community residences as defined in the Mental Hygiene Law, and posts or halls, owned or leased by a not-for-profit corporation that is a veterans' organization, to receive services at rates no greater than the rates charged to residential customers, (see the Additional Information section of this form for details). Residential rates are lower than commercial rates for most customers but not for every customer. If Niagara Mohawk denies the customer residential rates, the company shall, upon written request, inspect the applicant's premises and review the company's decision in light of the information obtained from such an inspection. The applicant may appeal Niagara Mohawk's denial of residential rates to the Public Service Commission.			
_____ Applicant/Applicant's Representative acknowledges this section has been read		OR _____ Applicant is applying for Residential Rates	
Part A. New Account Information			
Applicant (Person and/or Business responsible for new account):			
Applicant's entity is established as: ____Individual _____Sole Proprietorship _____Corporation _____Limited Liability Corp (LLC) ____Limited / General Partnership _____Other _____			
Sales Tax Status: ____Taxable ____Non-taxable ____Partially Exempt If you claim non-taxable or partially exempt, the appropriate exempt certification MUST BE ATTACHED to this form.			
Date of Incorporation	State of Incorporation	Tax payer ID Number or Social Security Number	
Business Name			
Doing Business As (if applicable)		Date DBA is Authorized to do Business in NYS	
Mailing Address		State	Zip
Service Address		State	Zip
Owner/Landlord/Access Controller Name		Telephone Number	
Owner/Landlord/Access Controller Address		State	Zip

Questions? Please contact our Commercial and Industrial Team at 1-800-664-6729 from 8am to 5pm Monday through Friday.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 273
REVISION: 0
SUPERSEDING REVISION:

Part A. New Account Information – Continued				
(1) Name of Principal Owner, Partner or Officer		Title		
Home Address		State	Zip	
Social Security Number		Home Telephone		
(2) Name of Principal Owner, Partner or Officer		Title		
Home Address		State	Zip	
Social Security Number		Home Telephone		
(3) Name of Principal Owner, Partner or Officer		Title		
Home Address		State	Zip	
Social Security Number		Home Telephone		
Financial Institution Information				
Financial Institution		Account Type	Account Number	
Address		City	State	Zip
Part B. Service Classification				
<p>The cost of service may vary depending on service classification. There are eligibility requirements for each service classification. A customer may be eligible for service under more than one service classification and certain classifications may be more beneficial than others. You may want to consult your contractor for help in completing this form.</p>				
<p>If the service classification information provided is inaccurate or incomplete, the customer may be subject to backbilling on the correct service classification, or may be precluded from receiving a refund for over charges based on the correct service classification.</p> <p>It is important for you to answer the following questions accurately and completely to determine the proper service classification for your account.</p> <p>1. SERVICE BEING REQUESTED: __Electric __Gas __Electric & Gas</p> <p>2. DATE YOU ARE RESPONSIBLE FOR ACCOUNT: ____/____/____</p> <p>3. Are you operating the same type of business as the previous occupant of this premise? __Yes __No</p>				

Questions? Please contact our Commercial and Industrial Team at 1-800-664-6729 from 8am to 5pm Monday through Friday

Part B. Service Classification – Continued

4. USE OF SERVICE FOR RESIDENTIAL PURPOSES:

- A. Is any part of the structure served by this meter(s) used for RESIDENTIAL purposes, such as rooms for rent, apartments, or your own residence? ☐ Yes ☐ No (if answer is NO, go to number 5)
- B. Are your residence and your business in the same structure and are both areas served by the same meter?
☐ Yes ☐ No
- 1) How many individual rooms are devoted to your business? _____
- 2) Of the total area of the structure, what percentage of space is devoted to your business? _____
- 3) How many employees, if any, work for you at this location? _____
- C. How many individual residential units are provided for the following ELECTRIC services?
Lighting _____ Heating _____ Water Heating _____ Cooking _____ Common area Lighting/Heating _____ (Basement, Hallway, etc.)
- D. How many individual residential units are provided for the following GAS services?
Lighting _____ Heating _____ Water Heating _____ Cooking _____ Common area Lighting/Heating _____ (Basement, Hallway, etc.)

5. ELECTRIC INFORMATION:

- A. The amount of electricity you use and how you use it will generally determine the rate at which you'll be billed. Which of the following best describes your business or premises? (*Check only one*)
☐ Store, Restaurant, Commercial Office. Indicate Type: _____
☐ Medical or professional office building or suite
☐ Apartment or premises, in a residential building, where business is also conducted (doctor's office, beauty parlor, real estate, etc.)
☐ Hotel, motel, hospital, nursing home
☐ Religious use, such as a house of worship, living quarters for the clergy, rectory or parochial school
☐ Other (Describe) _____
- B. Which of the following best describes your use of electricity? (*Check only one*)
☐ Exclusively for hall lighting, elevators, and other common areas of apartment or commercial building
☐ Entire premises for your own use (Example: retail store)
☐ Entire premises, including redistributing electricity to: ☐ Residential tenant ☐ Commercial tenants
- C. Do you have (*Check all that apply*):
☐ An emergency generator ☐ Electric space heating ☐ Electric hot water heating

6. GAS INFORMATION:

- A. The amount of gas you use and how you use it will generally determine the rate at which you will be billed. Which of the following best describes your business or premises? (*Check only one*)
- | <u>Non-Human Needs</u> | <u>Human Needs</u> |
|--|--|
| <input type="checkbox"/> Store, restaurant, commercial office | <input type="checkbox"/> Apartment House <input type="checkbox"/> Medical or Dental Office or Clinic |
| <input type="checkbox"/> Religious use, as a house of worship, living quarters for the clergy, rectory or parochial school | <input type="checkbox"/> Mobile Home Park <input type="checkbox"/> Rooming or Boarding House |
| <input type="checkbox"/> Veteran' Organization | <input type="checkbox"/> Correctional Facility <input type="checkbox"/> Nursing Home |
| | <input type="checkbox"/> General Medical or Psychiatric Hospital |
- B. Check ALL the uses of gas which apply to this account:
☐ Hot water heating ☐ Laundry Dryers ☐ Dual-fuel burner
☐ Commercial cooking ☐ Space heating ☐ Gas redistribution to tenants for cooking
☐ Gas air-conditioning ☐ Electricity generator
Other _____
- C. Is your business located at a Building of Public Assembly as described below?
☐ School, Hospital, Nursing Home, or Institution licensed by NYS for the Care of Children
☐ Factory which normally employs 75 or more people
☐ Other building with nominal capacity of 75 or more persons to which public is regularly admitted (excluding those used solely as office buildings or residential apartments and normally have no other utilization in excess of the 75-person limit).

7. ENERGY PROFILE:

- A. Do you use the same amount of electricity or gas each month? If not, please describe your usage pattern.
Electric service usage pattern Kilowatt Hours (KWH) _____ Kilowatts (KW) _____
Gas service usage pattern (therms per month) _____

Questions? Please contact our Commercial and Industrial Team at 1-800-664-6729 from 8am to 5pm Monday through Friday

Part B. Service Classification – Continued

B. Do you know what high consumption equipment you will be using? If so, enter below; if not, leave blank.

ELECTRIC EQUIPMENT: Type (e.g., air conditioner)	Kilowatts (kws)	Horsepower (HP)	No. of Units	GAS EQUIPMENT: Type (e.g., furnace)	British Thermal Units (BTUs)	No. of Units
1.				1.		
2.				2.		
3.				3.		

C. Have you or do you plan to add or remove any equipment, make any renovations, or implement any changes to your business operations that would significantly increase or decrease the amount of electricity and/or gas compared to the previous occupant? ☐ Yes ☐ No If yes, please provide details: _____.

D. You have the right to request that we perform an inspection to assure the accuracy of the meter(s) on which you were billed. To request such an inspection, place an "X" here: _____.

Based on your responses, we have determined the following information:

Type of Service	Rate	Revenue Class	SIC Code	Assigned by	Date
Electric					
Gas					

Part C. SIGNATURE

To the best of my knowledge, the information provided in this application is accurate and no attempt has been made to misrepresent the facts. With my signature below, I also acknowledge that I have been provided with "Your Rights and Responsibilities as a Non-Residential Customer."

Application submitted by: (Name – please print)	Title
---	-------

Full Signature

For Office Use Only

Date Request Received		Date Service Requested For	
Security Deposit <input type="checkbox"/> Yes <input type="checkbox"/> No		Amount (if applicable)	Company Representative
Types of Documents Received			
Application Status	Complete <input type="checkbox"/> Yes <input type="checkbox"/> No		Date Returned to Applicant (if applicable)
	Approved by		Date Service provided on
	Denied by		Date Denial Issued Denial Reason

Questions? Please contact our Commercial and Industrial Team at 1-800-664-6729 from 8am to 5pm Monday through Friday

ADDITIONAL INFORMATION:

If you are applying for residential rates as a religious organization, community residence, or a veterans' organization:

Certain religious organizations, community residences, as defined in the Mental Hygiene Law, and posts or halls, owned or leased by a not-for-profit corporation that is a veterans' organization, **may** have the choice of being billed under either residential rates or commercial rates.

For most customers, if you qualify, residential rates are more economical. To receive service under residential rates, you must document your eligibility by attaching the requested information to the Application For Service For Non-Residential Customers. If you submit sufficient documentation to Niagara Mohawk at a later date, the account will be transferred to residential rates as of the date we receive the documents.

If this is a religious organization, you are eligible for residential rates if all of the following apply: the premises are used primarily and principally for religious purposes, (e.g. for divine worship or other religious observances) or is a school operated by a religious organization with required religious instruction, notwithstanding that secular subjects are taught at such school. To qualify for residential rates, you must provide documentation of your eligibility. Examples of acceptable proof include, but are not limited to: Certificate of Incorporation under the NYS Religious Corporations Law or Education Law; religious charter; letter from a recognized "parent" religious organization; religious designation from the IRS or other governmental agency; or other reasonable documentation that shows your group is organized, in good faith, for religious purposes and that the premises are used primarily and principally for religious purposes. Niagara Mohawk reserves the right to request additional documentation in support of a residential rate. If you apply for and are denied residential rates, you may request, in writing, that we inspect the premises and review the rate determination in light of the information obtained from the inspection. You may also appeal the rate classification to the Public Service Commission.

If this is a community residence, you are eligible for residential rates if all of the following apply: if as defined in the Mental Hygiene Law operated by a not-for-profit corporation and are either (1) a "supervised living facility" (as defined in the Mental Hygiene Law) providing 24-hour per day on-site supervision and living accommodations for 14 or fewer residents; or (2) a "supportive living facility" (as defined in the Mental Hygiene Law) providing supervised independent living without 24-hour per day on-site supervision. To qualify for residential rates, you must document your eligibility by providing a copy of your Certificate of Incorporation under the Not-For-Profit Corporation Law and license from the NYS Office of Mental Hygiene or the NYS Office of Mental Retardation and Developmental Disabilities. NOTE: Usage must be primarily and principally in connection with a community residence.

If this is a veterans' organization, you are eligible for residential rates under Section 76 of Public Service Law, if the following apply: the premises is a post or hall owned or leased by a not-for-profit veterans' organization. To qualify for residential rates, eligible customers must submit certification of their status as an organization exempt under IRC Section 501(c)(19).

INFORMATION ABOUT NIAGARA MOHAWK ACCOUNTS

You May Be Required To Pay A Deposit: You may be required to pay a deposit when applying for service. You can call in advance to find out approximately what that amount will be. We determine the amount of the deposit. For heating customers, we base the deposit on the cost of two months' service during the heating season.

Security Deposit Information: New non-residential customers are required to pay a deposit when applying for service. Interest is applied only for cash deposits to your account annually at a rate set by the Public Service Commission.

If you have questions about any of the above items, please check with your accountant or call the NYS Dept. of Taxation and Finance at 1-800-225-5829.

HOW TO REACH US BY PHONE

Call our Commercial Team Service number at 1-800-664-6729 from 8 am to 5 pm, five days a week. Have your account number ready.

NON-RESIDENTIAL DEFERRED PAYMENT AGREEMENT

Niagara Mohawk Customer Name			Bill Account No.		
Address			Service Address		
City	State	Zip Code	City	State	Zip Code

Niagara Mohawk and the Customer named above have entered into the Deferred Payment Agreement which follows. It is understood that the Company agrees not to disconnect service as long as the Customer honors the terms of the Payment Agreement.

Terms of the Payment Agreement are:

1. Timely payment of all current charges while this Agreement is in effect.
2. A down payment of \$_____ is due by __/__/__.
3. The balance of \$_____ is to be paid in installments of \$_____ due on or before the due date of each monthly bill.
4. This Agreement is subject to late payment charges at the rate of one and one half percent (1 1/2%) monthly, eighteen percent (18%) annually.

For this Agreement to become binding upon both the Customer and Niagara Mohawk, the Customer must:

1. Sign and date the Agreement.
2. Make any required downpayment.
3. Return the signed Agreement to the Company no later than __/__/__.

Should the Customer enter into this Agreement and later fails to comply with the terms stated, Niagara Mohawk may issue a Disconnect Notice.

Rules pertaining to Payment Agreements for Non-Residential utility Customers are contained in Title 16 of the New York Code of Rules and Regulations. The Customer may contact the New York State Public Service Commission to determine if this Agreement conforms to those rules.

X_____, __/__/__
Customer's Signature (required to indicate acceptance of Agreement) Date

X_____, __/__/__
Niagara Mohawk Signature (representative accepting Agreement) Date

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 278
REVISION: 0
SUPERSEDING REVISION:

Surety Bond

Bond No. _____

WITNESSETH: This Surety Bond given by _____

as Principal, and _____, as Surety, are jointly and severally bound unto Niagara Mohawk Power Corporation, as Oblige, in the amount of _____ Dollars for the payment of which the Principal and Surety bind themselves, their heirs, executors, administrators, successors, assigns or other legal representatives.

WHEREAS, the said Principal has requested the Oblige to furnish electric and gas service to the Principal at his present location:

(Indicate Customer Name and Address)

WHEREAS, the said Principal and/or Surety has promised to pay for such electric and gas service provided by the Oblige as bills are rendered, and is in default unless payment is made within twenty (20) days thereafter, without the usually required deposit being made by said Principal.

WHEREAS, the said Oblige has agreed to the foregoing on condition that it be indemnified against any loss or account thereof.

NOW, THEREFORE, the condition of the obligation is such that if the Principal and/or Surety shall pay or cause to be paid unto the Oblige, within twenty (20) days or rendering bills, all amounts that may at any time hereafter be due and owing to the Oblige by the Principal for electric and gas service furnished by the Oblige to the Principal at his present location, then this obligation shall be null and void, otherwise to remain in full force and effect.

This Bond is subject to the following terms, limitations and conditions:

1. The term of this bond shall be indefinite commencing_____.
2. The Surety shall have the right to terminate its liability hereunder at any time by giving notice in writing to the Oblige and stating therein the effective date of such termination which date shall not be less than thirty (30) days after receipt of said notice by the Oblige. Such notice shall not limit or terminate this agreement in respect to any indebtedness which arises prior to the effective date of such termination by the Surety. Written notice must be via certified letter, return receipt requested, and mailed to Niagara Mohawk Power Corporation (Local District Office Address); attention - Credit Department.
3. It is understood and agreed between the Principal and the Oblige that upon receipt of Surety's thirty-day written notice of cancellation as provided above, the Oblige may demand a deposit from the Principal in the amount of _____ by written notice to Principal at least ten days prior to the termination or expiration of Surety's bond.
4. That no proceeding in law or in equity may be brought under this bond unless the same shall be commenced and process served prior to the expiration of one (1) year from the date of cancellation of this bond.

IN WITNESS WHEREOF, the Principal and Surety have executed and delivered this bond this ____ day of _____ 19__.

(Seal)

By_____

Surety

By_____

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 279
REVISION: 0
SUPERSEDING REVISION:

Non-Residential Customer Promise to Pay Bills Upon Request

NIAGARA MOHAWK ACCOUNT NUMBER:

NAME OF ACCOUNT:

SERVICE ADDRESS:

SERVICE TELEPHONE:

NAME OF CUSTOMER:

I, _____, BEING RESPONSIBLE FOR PAYMENT OF NIAGARA MOHAWK SERVICE BILLS AT THE ACCOUNT DESCRIBED ABOVE, ACKNOWLEDGE THE DUE DATE FOR PAYMENT OF MY SERVICE BILLS AS THE DATE THE BILL IS RECEIVED, AND THEREFORE, PROMISE TO PAY ALL SERVICE BILLS IMMEDIATELY UPON RECEIPT.

IN LIEU OF PROVIDING NIAGARA MOHAWK WITH A LAWFULLY REQUIRED SECURITY DEPOSIT, I HAVE VOLUNTARILY ENTERED INTO THIS PROMISE. I UNDERSTAND THAT SHOULD I FAIL TO PAY ANY SERVICE BILL UPON RECEIPT, NIAGARA MOHAWK MAY SEND ME A FINAL TERMINATION NOTICE AT ONCE.

THE UNDERSIGNED COMPANY REPRESENTATIVE HAS FULLY EXPLAINED NIAGARA MOHAWKS RIGHTS AND OPTIONS SHOULD I FAIL TO PAY FOR BILLED SERVICE CHARGES IN ACCORDANCE WITH THE TERMS OF THIS DOCUMENT.

SIGNED: _____(CUSTOMER)

DATE __/__/__

SIGNED: _____(NIAGARA MOHAWK)

TITLE: _____

DATE __/__/__

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

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REVISION: 0
SUPERSEDING REVISION:

NIAGARA MOHAWK POWER CORP. 300 ERIE BLVD. W. SYRACUSE, N.Y. 13202
CUSTOMER INQUIRIES TELEPHONE NUMBER: XXX-XXX-XXXX

RESIDENTIAL DEFERRED PAYMENT AGREEMENT
(IF FULL PAYMENT HAS ALREADY BEEN MADE, PLEASE DISREGARD THIS OFFER)

CUSTOMER NAME	BT	DIST	PREMISE NO.
NAME OF INDIVIDUAL MAKING AGREEMENT		CONTACT TELEPHONE NO.	
SERVICE ADDRESS		DATE AGREEMENT OFFERED	

PAYMENT AGREEMENT RULES AND INFORMATION.
PLEASE READ THE FOLLOWING CAREFULLY BEFORE YOU SIGN THIS AGREEMENT.

1. NIAGARA MOHAWK IS REQUIRED TO OFFER YOU A PAYMENT AGREEMENT THAT YOU ARE ABLE TO PAY.
2. NORMALLY, PAYMENT AGREEMENTS REQUIRE THAT YOU MAKE A DOWNPAYMENT, PAY YOUR CURRENT BILLS ON TIME AND MAKE AN INSTALLMENT PAYMENT EACH MONTH TOWARD YOUR ARREARS BALANCE. IF YOU CAN SHOW THAT YOUR PRESENT FINANCIAL CIRCUMSTANCES WILL NOT ALLOW YOU TO MAKE SUCH PAYMENT, WE ARE PREPARED (WHERE APPROPRIATE) TO OFFER AGREEMENTS THAT DO NOT REQUIRE A DOWNPAYMENT AND WITH MONTHLY INSTALLMENTS AS LOW AS \$10 ABOVE THE AMOUNT OF YOUR CURRENT BILL.
3. IF A PERSONAL OR TELEPHONE INTERVIEW TAKES PLACE, WE MAY ASK QUESTIONS REGARDING YOUR INCOME, EXPENSES AND AVAILABLE ASSETS. YOU WOULD BE REQUIRED TO PROVIDE SUCH INFORMATION AND, IF REQUIRED, REASONABLE SUBSTANTIATION THAT THE INFORMATION YOU PROVIDE IS ACCURATE.
4. RECIPIENTS OF PUBLIC ASSISTANCE OR SUPPLEMENTAL SECURITY INCOME (SSI) MAY WISH TO CONSIDER CONTACTING THEIR LOCAL SOCIAL SERVICES OFFICE, AS THEY MAY BE ELIGIBLE FOR UTILITY BILL PAYMENT ASSISTANCE.
5. AFTER REVIEWING THE SPECIFIC TERMS OF THIS AGREEMENT (STATED BELOW) IF YOU FEEL YOU ARE NOT ABLE TO MAKE THE REQUIRED PAYMENTS - DO NOT SIGN THIS AGREEMENT. IF YOU HAVE QUESTIONS OR WISH TO DISCUSS THE TERMS WITH A NIAGARA MOHAWK REPRESENTATIVE, CALL _____.

HOW PAYMENTS WILL BE MADE IF YOU ACCEPT THIS AGREEMENT

AS OF __/__/__, YOU OWE A PREVIOUS BALANCE OF \$____. AND CURRENT SERVICE CHARGES OF \$____ FOR A TOTAL AMOUNT OWING OF \$____. A DOWNPAYMENT OF \$____. MUST BE MADE, LEAVING A BALANCE OF \$____. THIS BALANCE IS TO BE PAID IN ____ MONTHLY INSTALLMENTS OF \$____. DUE BY THE ____ DAY OF EACH MONTH. IN ADDITION, ALL BILLS YOU WILL BE RECEIVING FOR CURRENT SERVICE CHARGES DURING THE TIME THIS AGREEMENT IS IN EFFECT, MUST BE PAID BY THE DUE DATES SHOWN ON THE BILLS.

THIS AGREEMENT WILL NOT GO INTO EFFECT UNLESS YOU SIGN AND DATE ONE COPY OF THE AGREEMENT AND RETURN IT TO NIAGARA MOHAWK. THE SIGNED AGREEMENT AND DOWNPAYMENT SPECIFIED (IF ANY) MUST BE RECEIVED BY __/__/__ IN ORDER TO PREVENT TERMINATION OF SERVICE.

(PLEASE READ OTHER SIDE)

WHAT HAPPENS IF YOU DO NOT MAKE THE PAYMENTS

IF YOU DO NOT MAKE ANY PAYMENT REQUIRED BY THE TERMS OF THE AGREEMENT, WE MAY INSIST UPON FULL PAYMENT OF ALL MONIES OWED TO US AND TAKE STEPS TO SHUT-OFF SERVICE, UNLESS, THE REASON FOR NOT MAKING PAYMENT IS THAT YOUR FINANCIAL CIRCUMSTANCES (INCOME AND EXPENSES) HAVE CHANGED SIGNIFICANTLY DUE TO CONDITIONS YOU COULD NOT CONTROL.

WE WILL GIVE YOU A NEW AGREEMENT IF YOU TELL US EXACTLY WHAT HAS TAKEN PLACE AND CAN SHOW THAT THE REASONS FOR NOT MAKING PAYMENT WERE TRULY DUE TO CONDITIONS BEYOND YOUR CONTROL.

ASSISTANCE

IF YOU WISH TO SPEAK WITH A NIAGARA MOHAWK REPRESENTATIVE, PLEASE CALL US AT THE TELEPHONE NUMBER SHOWN ON THE OTHER SIDE OF THIS AGREEMENT. IF FURTHER HELP IS NEEDED, YOU MAY CALL THE NEW YORK STATE PUBLIC SERVICE COMMISSION AT 1-800-342-3377, 8:30 A.M. TO 4:30 P.M., MONDAY THROUGH FRIDAY.

BUDGET BILLING OPTION

IF YOU ARE NOT ALREADY ENROLLED IN OUR BUDGET BILLING (HELP PLAN) AND WISH TO ENROLL, PLACE A CHECK MARK IN THE BOX BELOW AND WE WILL START YOU ON THE PLAN. THE BUDGET BILLING PLAN ALLOWS YOU TO PAY THE TOTAL AMOUNT OF YOUR ANNUAL SERVICE CHARGES IN TWELVE (12) NEARLY EQUAL MONTHLY PAYMENTS. THIS PLAN PERTAINS ONLY TO NEW BILLS YOU WILL BE RECEIVING AND DOES NOT CHANGE THE SPECIFIC TERMS OF THE PAYMENT AGREEMENT.

☐ YES, I WOULD LIKE TO BE PUT ON THE BUDGET BILLING PROGRAM.

ACCEPTANCE OF AGREEMENT

COMPANY ACCEPTANCE: BY THIS STATEMENT, NIAGARA MOHAWK VERIFIES THAT SPECIFIC TERMS OFFERED ON THIS DOCUMENT ARE AN ACCEPTABLE AGREEMENT FOR PAYMENT OF MONIES OWING.

CUSTOMER ACCEPTANCE: TO INDICATE ACCEPTANCE; SIGN, DATE AND PRINT NAME.

I HAVE READ, UNDERSTAND AND ACCEPT THE TERMS OF THIS AGREEMENT.

SIGNATURE: _____ DATE: __/__/__

PRINT NAME: _____

BY SIGNING AND RETURNING ONE COPY, YOU WILL BE AGREEING TO MAKE PAYMENTS ACCORDING TO THE TERMS OF THIS AGREEMENT, IN RETURN, NIAGARA MOHAWK WILL AGREE NOT TO SHUT-OFF YOUR SERVICE FOR NON-PAYMENT, FOR AS LONG AS YOU CONTINUE TO HONOR THE TERMS OF THE AGREEMENT.

IF YOU DO NOT SIGN AND RETURN THE AGREEMENT OR CONTACT US TO DISCUSS ALTERNATIVE TERMS AND A FINAL TERMINATION NOTICE IS IN EFFECT, WE WILL TAKE NECESSARY STEPS TO TERMINATE YOUR SERVICE.

COMPANY REP: TO BE COMPLETED WHEN AGREEMENT IS MADE DURING PERSONAL CONTACT (OFFICE, FIELD OR TELEPHONE) WITH THE CUSTOMER.

COMPANY REPS NAME: _____ DATE: __/__/__

AGREEMENT TAKEN IN: ☐ OFFICE ☐ FIELD ☐ TELEPHONE CONTACT

TERMS: ☐ STANDARD ☐ LONGER ☐ SHORTER

**GENERAL INFORMATION FOR CONNECTION OF ON-SITE GENERATORS
APPLICATION FOR ELECTRIC STANDBY SERVICE
FORM "G"**

Date _____.

THE UNDERSIGNED (hereinafter called "Customer") hereby applies to NIAGARA MOHAWK POWER CORPORATION (hereinafter called "Company") to provide Electric Service at the Service Entrance, including Standby Service pursuant to S.C. No. 7 of the Company's Tariff P.S.C. No. 220 - Electricity ("the Tariff") for 60 Hz On-Site Generator(s) (OSG), at approximately _____ volts, __ (Single) __ (Three) phase for use upon Customer Location (premises) located at:

Name: _____

Address: _____

City: _____

Zip: _____ - _____

State: New York

Premise Number: _____

for and during the period of from _____, _____ as specified as the term of service required for Customers served pursuant to Service Classification No. _____ of P.S.C No. 220, and thereafter renewed or extended as provided in such Service Classification, or until superseded by an executed Application for Standby Service with a successor customer occupying the above identified premise.

This Service Application supplements but does not supersede any pre-existing Service Application or Form, executed by the Customer, evidencing the Customer's acceptance of Electric Service under the Tariff. If the Customer has not executed a Form or Service Application required by the Tariff under the Customer's Applicable Service Classification, the Customer must first execute such Form or Service Agreement before the Company will accept this Form "G".

The Service Entrance or Point of Delivery shall be (insert Pole #, structure # or other Service Entrance or interconnection point identifier) _____

With Credit, Billing and On-site Meter(s) located or installed at (insert location of metering facilities identifier)

Credit Meter: _____

Billing Meter: _____

OSG Meter: _____

Such metering shall be loss compensated to the Service Entrance or Point of Delivery identifier by loss compensation factors as follows:

Credit: _____ %, Billing: _____ %, OSG: _____ %

**GENERAL INFORMATION FOR CONNECTION OF ON-SITE GENERATORS
APPLICATION FOR ELECTRIC STANDBY SERVICE
FORM "G" (Continued)**

The Customer hereby agrees to provide the Company with sufficient space to install its meters and metering facilities in locations acceptable to the Company, and agrees that the Customer's OSG will not be operated until such meters and metering facilities are installed and operational.

Transformers are to be supplied, owned and maintained by ____ Customer, ____ Company (select one).

Election of Billing Method of Commodity Service for S.C. No. 7 Parent Class S.C. Nos. 2D and 3 (Otherwise Subject to SC-3, Special Provision L) Customers:

☐ The Customer hereby agrees to be billed for commodity service based on actual hourly usage and hourly day-ahead market prices.

On-Site Generation Specifics (information to be supplied for each On-Site Generator Unit:

	<u>OSG Unit 1</u>	<u>OSG Unit 2</u>	<u>OSG Unit 3</u>
Date of Installation:	_____	_____	_____
Manufacturer of Generator(s):	_____	_____	_____
Model(s) Designation:	_____	_____	_____
Serial Number(s)	_____	_____	_____
Nameplate Output Rating(s):	_____ kW	_____ kW	_____ kW
Nameplate Output Rating(s):	_____ kVA	_____ kVA	_____ kVA
OSG Type Designators:			
Synchronous	_____	_____	_____
Induction	_____	_____	_____
Inverter	_____	_____	_____

Complete or attach as required for Synchronous Generators to be operated in parallel with the system:

Rated Speed (RPM)	_____	_____	_____
Rated Voltage	_____	_____	_____
Efficiency	_____	_____	_____
Rated Power Factor	_____	_____	_____
Locked Rotor Current	_____	_____	_____
Winding Connection			
(Wye or Delta)	_____	_____	_____
Saturation Curve (dwg #)	_____	_____	_____
Vee Curve (dwg #)	_____	_____	_____
Torque at rated speed	_____	_____	_____
Field Amperes	_____	_____	_____
Field Resistance Ohms	_____	_____	_____
Type of Exciter	_____	_____	_____
Voltage Response Curve			
(dwg #)	_____	_____	_____
Output Power of Exciter	_____	_____	_____
Type of Voltage Regulator	_____	_____	_____
Xd (direct axis sync.			
reactance)	_____	_____	_____
Xd (transient reactance)	_____	_____	_____
Xd (subtrans reactance)	_____	_____	_____

**GENERAL INFORMATION FOR CONNECTION OF ON-SITE GENERATORS
 APPLICATION FOR ELECTRIC STANDBY SERVICE
 FORM "G" (Continued)**

Complete or attach as required for Induction Generators to be operated in parallel with the System:

	<u>OSG Unit 1</u>	<u>OSG Unit 2</u>	<u>OSG Unit 3</u>
Rated Speed (RPM)	_____	_____	_____
Rated Voltage	_____	_____	_____
Efficiency	_____	_____	_____
Rated Power Factor	_____	_____	_____
Locked Rotor Current	_____	_____	_____
Winding Connection (Wye or Delta)	_____	_____	_____
Rr (Rotor Resistance)	_____	_____	_____
Xr (Rotor Reactance)	_____	_____	_____
Xm (Magnetizing Reactance)	_____	_____	_____
Rs (Stator Reactance)	_____	_____	_____
Xs (Stator Reactance)	_____	_____	_____
Xd (Short Circuit Reactance)	_____	_____	_____
Exciting Current	_____	_____	_____
Reactive Load @ No Load (kvar)	_____	_____	_____
Reactive Load @ Full Load (kvar)	_____	_____	_____
Frame Size	_____	_____	_____
Design Letter	_____	_____	_____
Temperature Rise (deg C)	_____	_____	_____

Complete or attach as required for Inverters to be operated in parallel with the System:

Load Ramp speed Watts/min	_____	_____	_____
Input Voltage	_____	_____	_____
AC Or DC	_____	_____	_____
Tolerance %	_____	_____	_____
Output Voltage	_____	_____	_____
AC Or DC	_____	_____	_____
Tolerance %	_____	_____	_____
Control Features	_____	_____	_____
Isolation Transformer	_____	_____	_____
Rating (VA)	_____	_____	_____
Primary Voltage	_____	_____	_____
Secondary Voltage	_____	_____	_____
% Impedance	_____	_____	_____
Filtering Equipment attach Mfg spec.	_____	_____	_____

**GENERAL INFORMATION FOR CONNECTION OF ON-SITE GENERATORS
APPLICATION FOR ELECTRIC STANDBY SERVICE
FORM "G" (Continued)**

A one-line diagram of the Customer's electric system showing all loads, generators, meter points and the Point of Delivery is attached hereto as Exhibit 1. This one-line diagram must be drafted in conformance with ANSI Y32.2, IEEE 141 and IEEE 446 symbol and drafting standards in effect at the time of creation of the diagram.

Service under this agreement is supplied and conditioned on the Customer's ongoing compliance with the terms, conditions and procedures set forth in the Specifications for Electrical Installations of Niagara Mohawk Power Corporation as amended from time to time, inclusive of all applicable supplements to such specifications, including without limitation, modification or amendment Electric System Bulletin (ESB) 750, ESB 756 and ESB 752 and all operating instructions of the Company (including OSG specific operating instructions and Power Control Orders) communicated from the Company's operating employees.

The Customer agrees to operate the OSG in accordance with the following Special Provisions:

The OSG, if also a Qualifying Facility under the Public Utility Regulatory Policy Act (PURPA), agrees to participate in the New York Public Service Commission's qualifying facility monitoring program pursuant to the Commission Orders and Decisions in Case Nos. 96-E-0775 and 95-E-0264.

This application and the furnishing of Electric Service hereunder are subject in all respects to the provisions of the Tariff, which is hereby referred to and made a part hereof, and to the rates, rules, regulations, terms and conditions therein set forth, applicable to the particular service to be supplied hereunder, as now in effect and as the same may be from time to time changed, amended, and/or supplemented.

Terms and conditions of service as set forth herein shall not be modified except as required: (i) by changes to the Tariff; (ii) by the orders of the New York State Public Service Commission; or (iii) by a superseding written service agreement between the parties.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 286
REVISION: 0
SUPERSEDING REVISION:

**GENERAL INFORMATION FOR CONNECTION OF ON-SITE GENERATORS
APPLICATION FOR ELECTRIC STANDBY SERVICE
FORM "G" (Continued)**

Upon acceptance by Company this Form "G" constitutes an agreement between the Company and the customer for the supply and/or delivery of electricity by the Company to the customer under the terms of the Tariff, including S.C.No. 7 thereof.

Wholesale Generators receiving Station Power from the NYISO and qualify for Reduced Distribution Delivery Charges per Special Provision J of S.C. No. 7 are required to certify that they are Customers of the NYISO by providing their PTID number assigned by the NYISO on the line below.

PTID # _____

As of the Effective Date, this Service Agreement shall not supersede a Service Agreement between Company and the Customer (if any) dated _____, ____.

Customer

By _____

Title

Date: _____

ACCEPTED:
NIAGARA MOHAWK POWER CORPORATION

By _____

Title

Date: _____

FORM H
Service Classification No. 11 Agreement Extension
Customer Service Agreement Amendment No. _____

This Amendment No. _____, effective _____, ("this Amendment"), is by and between Niagara Mohawk Power Corporation ("Company") and _____, ("Customer").

WHEREAS, the Company operates a vertically integrated system for the transmission, distribution and delivery of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution, and delivery services to the Premises; and

WHEREAS, there is now in full force and effect between the parties an SC-11 Service Agreement, effective as of _____, ("the Agreement"), for the furnishing by the Company of electric service to Customer's facility at _____ ("Facility"); and

WHEREAS, the Agreement and this Amendment thereto both apply to the following P.S.C. 220 - electricity S.C. No. 11 Company account _____, which was formerly the following P.S.C. 220 - Electricity S.C. No. _____ Company account number _____; and

WHEREAS, Special Provision A of rate schedule S.C. No. 11 gives the Customer the option to extend the Agreement as provided herein; and

WHEREAS, the Customer has elected to exercise the option conferred upon it by that Special Provision A;

NOW THEREFORE, in consideration of the covenants contained herein and intending to be legally bound thereby, the Company and the Customer stipulate and agree as follows:

1. NOTIFICATION OF EXTENSION

Execution and delivery by the Customer to the Company of this Amendment shall constitute effective notice of the Customer's election to exercise its option under Special Provision A of rate schedule S.C. No. 11 to extend the Agreement subject to the terms and conditions of this Amendment, provided such execution and delivery are completed on or before _____.

2. TERM

Notwithstanding any other provision of the Agreement, the term of the Agreement is hereby extended through any calendar year prior to and including 2011. By signature below, the Customer hereby elects to extend this Agreement through and until December 31, 20__.

FORM H
Service Classification No. 11 Agreement Extension
Customer Service Agreement Amendment No. _____

3. CUSTOMER'S OPTIONS IN THE EVENT OF RETAIL ACCESS

In the event the Customer is eligible to receive service under Rule 39, Retail Access, the Company will make available a pricing option to the Customer to unbundle the pricing parameters of the Customer's S.C. No. 11 Customer Service Agreement. The Customer shall thereafter be free to purchase Electricity Supply Service from the Company under the existing S.C. No. 11 Service Agreement or from an ESCo under the Company's unbundling proposal. In the event that the Customer requests that the Company unbundle the pricing provisions of its S.C. No. 11 Service Agreement, the Customer shall only be eligible to purchase Electricity Supply Service from the Company under the default option of its otherwise applicable service classification's Standard Tariff Rates.

4. ENTIRE AGREEMENT

This Agreement and Amendment thereto constitutes and expresses the entire understanding between the Company and the Customer with respect to the subject written hereof and supersedes all prior and contemporaneous agreements or understandings, inducements or conditions, whether express or implied, oral or written. This Agreement may only be amended by a written instrument signed by the Company and the Customer.

5. CLOSING

Except as expressly modified by this Amendment, all terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have each caused this instrument to be signed by their duly authorized representatives.

"Customer"

By: _____

Title: _____

Date: _____

NIAGARA MOHAWK POWER CORPORATION "Company"

By: _____

Title: _____

Date: _____

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12

This Customer Service Agreement ("the Agreement") executed on this ____ day of _____, _____
witnesseth that:

WHEREAS, Niagara Mohawk Power Corporation (hereinafter called "the Company") presently operates a vertically integrated system for the generation, transmission and distribution of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution, and delivery services ("Delivery Services") to the Premises; and

WHEREAS, _____ (hereinafter referred to as "the Customer") operates a facility located on the premises at _____, **New York** ____ ("the Premises"); and

WHEREAS, the Customer received Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 - Electricity **Service Classification No. ____** prior to _____; and

WHEREAS, this Agreement applies to the following P.S.C. 220 - Electricity Service Classification No. _____ Company account number _____; and

WHEREAS, the Customer desires to purchase Electric Service for use at the Premises from the Company if the Company will provide such service at a price that is competitive with the Customer's alternative sources of electricity; and

WHEREAS, the Company has determined to its satisfaction that the Customer is eligible to receive service for S.C. No. 12 _____; and

WHEREAS, the Customer will receive Electric Service for use at the Premises from the Company at _____ voltage delivery level (hereinafter referred to as the "appropriate voltage delivery level"); and

WHEREAS, the Company has jointly filed a proposal with the other members of the New York Power Pool with the Federal Energy Regulatory Commission ("the FERC"), to establish an Independent System Operator (the "ISO") and a New York Power Exchange ("the Power Exchange") which filing is likely to have a bearing on the calculation of marginal costs; and

WHEREAS, the provisions establishing the ISO and Power Exchange concerning the development and adoption of location based marginal pricing was placed into effect on November 18, 1999;

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and the Customer agree as follows:

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

1. OBLIGATIONS TO PURCHASE AND SELL

The Customer agrees to purchase up to its full requirements for Electricity Supply and Delivery Services at the Premises from the Company, and the Company agrees to supply and deliver up to the Customer's full requirements for electricity at the Premises for a _____month period beginning with the first full Billing Period following the execution of this Agreement (hereinafter referred to as "the Contract Start Date") **through** the _____billing cycle following the Contract Start Date of this Agreement.

2. RETAIL ACCESS

Pursuant to Rule 39 of the Tariff, Retail Access Program, the Customer shall be eligible for retail access by meeting the eligibility requirements of Rule 39 of the Tariff. The Company has provided unbundled pricing in Attachment A1 and Attachment A2 as applicable, to facilitate retail access in accordance with Rule 39. In the event the Customer chooses an alternate electric supplier other than the Company, such election shall be pursuant to the terms of Rule 39 of the Tariff as the same may be modified from time to time by the Commission.

3. INCORPORATION OF CERTAIN TARIFF PROVISIONS

The Company is providing discounted Electric Service under this Agreement pursuant to the terms of its Tariff P.S.C. No. 220 - Electricity, as the same may be modified from time to time by the Commission ("the Tariff"). Except as expressly provided herein, the rights and obligations of the Company and the Customer under this Agreement shall be governed by the provisions of Service Classification No. _____ of the Tariff. Nothing in this Agreement shall be interpreted as restricting the Company's right to propose any change to the Tariff which the Company may deem necessary or appropriate, nor shall anything in this Agreement be interpreted as restricting the Customer's right to oppose such changes to the Tariff which the Customer may deem necessary or appropriate.

4. CONFIDENTIALITY

Where, pursuant to the provisions of Service Classification No. 12, the Customer has provided Customer sensitive data to the Company or has individually negotiated the pricing terms of this Customer Service Agreement, the Customer acknowledges that all information concerning the prices and discounts extended to it by Company pursuant to this Agreement are confidential and commercially sensitive. COMPANY RESERVES THE RIGHT TO TERMINATE DISCOUNTED SERVICE UNDER THIS AGREEMENT AND BE REIMBURSED THE FULL AMOUNT OF ANY DISCOUNTS PROVIDED IN THE EVENT THAT THE CUSTOMER OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS DISCLOSES ANY OF THE PRICING PROVISIONS OF THIS AGREEMENT OR DISCLOSES ANY INFORMATION THAT IS COVERED UNDER A NON-DISCLOSURE AGREEMENT BETWEEN THE PARTIES EFFECTIVE THE ____ day of _____, _____.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

5. PRICING

The Customer elects to receive service under the price and quantity provisions specified in Attachment A1 or Attachment A2 to this Agreement, as applicable, which Attachments A1 and A2 are incorporated into this Agreement as if fully set out herein, and to pay the amounts specified therein. All rates, charges, and fees, including any applicable adjustments within this Agreement, will be increased by a tax factor in accordance with Rule 32 of the Tariff.

6. PAYMENT OF OUTSTANDING BILLS REQUIRED

Notwithstanding any other provision of this Agreement, the Customer shall not be eligible to receive discounted service under this Agreement until the Customer pays all bills for all service rendered to the Customer by the Company which remain outstanding, if any, including any and all late penalties and or interest charges applicable thereto.

Until the Customer pays all such outstanding bills, the Customer shall be required to receive Electric Service from the Company under the provisions of Service Classification No. ____ of the Tariff and to pay the rates and charges in the Tariff applicable thereto.

7. TERMINATION

Customer agrees that, in the event it fails to make payment for Electric Service when due and thereafter fails to make payment by the due date specified in a written notice of arrears issued by Company, which due date shall be at least ten (10) days after the date of the written notice, Company has the right, at its sole option, upon written notice to Customer:

- A. to terminate this Agreement effective retroactive to the first date of the Billing Period covered by the unpaid Company invoice. Upon Company's termination of this Agreement, Customer shall pay for Electric Service at the applicable Tariff rates, as of the effective retroactive date of termination.

OR

- B. to suspend the pricing provisions of this Agreement, effective retroactive to the first date of the Billing Period covered by the unpaid Company invoice, until the Customer's account is made current. Upon Company's suspension of the pricing provisions of this Agreement, Customer shall continue to receive and accept Electric Service in accordance with Section 7A, but shall pay for Electric Service at the applicable Tariff rates, as of the effective retroactive date of suspension, and not at the rates specified in Attachment A1 or Attachment A2, as applicable, to this Agreement. Once the Customer's account is made current, the pricing provisions of this Agreement will again be made applicable to the Customer's purchase of Electric Service, as of the first date of the Billing Period in which the Customer's account is made current. During the period of Company's suspension of the pricing provisions of this Agreement, Customer shall not have the right to terminate this Agreement, notwithstanding any other provisions to the contrary set forth in this Agreement.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

7. TERMINATION (Continued)

Notwithstanding the foregoing, where the Customer's failure to pay all or part of its bill for Electric Service relates to the Electric Service rendered, Company shall not have the right to terminate this Agreement, or to suspend the pricing provisions of this Agreement, so long as Customer (1) pays any undisputed portion of the bill when due and in no event later than the late charge date indicated on the bill; (2) advises Company in writing, on or before the late charge date specified on the bill, of the specific grounds for withholding payment; and (3) places in escrow the disputed portion of the bill on or before the late charge date specified on the bill. If (1), (2) and (3) are not accomplished by the late charge date specified on the bill, Company has the right, at its sole option, either to terminate this Agreement, or to suspend the pricing provisions of this Agreement, as provided above. If (1), (2) and (3) are accomplished on or before the late charge date specified on the bill, and the disputed portion of the bill is thereafter determined by Company to have been owed to Company, the escrowed sums shall be immediately released to Company and Customer shall promptly pay Company any late payment charges thereon. In the event the escrowed sums are not immediately released to Company, or in the event Customer fails to pay any late payment charges when due, Company has the right, at its sole option, to the extent allowed by law, to terminate this Agreement or suspend the pricing provisions of this Agreement, as provided above.

Notwithstanding the foregoing, Customer further agrees that, in the event it fails to make payment for Electric Service when due, except for those disputed sums as discussed above, by the due date specified in a written notice of arrears, Company, in addition to any other rights it may have in Law or in Equity, also has the right to terminate all Electric Service to Customer in accordance with 16NYCRR Section 13.3, other applicable New York laws, and the Tariff.

8. BILLING PERIOD

The Billing Period shall be set at the discretion of the Company, and rates and charges for Electric Service furnished by the Company shall be as specified in Attachment A1 or Attachment A2, as applicable.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

9. TRANSFERABILITY

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the non-assigning party, which consent shall not unreasonably be withheld. In no event shall any such assignment entitle the purchaser or its assignee to receive service under this Agreement at any location other than the Premises.

10. ENTIRE AGREEMENT

This Agreement, which consists of this "CUSTOMER SERVICE AGREEMENT FOR SERVICE CLASSIFICATION NO. 12", Attachment A1, "Pricing Parameters for SC-2D SC-3 and SC-4 (Less than 2 MW) Customers", Attachment A2, "Pricing Parameters for SC-3A and SC-4 (Greater than 2MW) Customers", Attachment B, "Calculation of Termination Charge", Attachment C1, "SC-12 Contract Loads for SC-2D, SC-3 and SC-4 (Less than 2MW) Customers" and Attachment C2 "SC-12 Contract Loads for SC-3A and SC-4 (Greater than 2MW) Customers", if any, constitutes and expresses the entire understanding between the Company and the Customer with respect to the subject written hereof and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, whether express or implied, oral or written. This Agreement, as defined herein, may only be amended by a written instrument signed by the Company and the Customer.

11. WAIVER

No waiver shall be deemed to be made by either party to this Agreement of any of its rights under this Agreement unless such waiver shall be in writing signed by the party to be bound thereby. Each waiver, if any, shall be a waiver only with respect to the specific instance or instances involved and shall in no way impair the rights of the party bound thereby in any other respect at any other time.

12. NOTICES

Any notice or other communication in connection with this Agreement shall be in writing (or in the form of a telegram) and shall be deemed to have been duly given or mailed when personally delivered, or mailed by registered or certified mail, return receipt requested, postage prepaid, or to such other address as the party to whom the same is intended shall have specified in conformity with the following:

If to the Company,

Manager, Electric Rates, Niagara Mohawk Power Corporation, 300 Erie Blvd. West, Syracuse, New York
13202

If to the Customer,

Title, Company Name

Address, City, State Zip

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

Attachment A1

Pricing Parameters for SC-2D, SC-3 and SC-4 (Less than 2MW) Customers

Subject to the provisions of Sections 9 of this Attachment A1 and to the provisions of Sections 2 and 5 of this Agreement, prices for Electric Service under this Agreement shall consist of a Customer Charge, a Distribution Delivery Charge, a Competitive Transition Charge per kW, an Electricity Supply Cost Charge, a Non-Contestable Load Competitive Transition Charge, a Contestable Load Competitive Transition Charge, and a Reactive Power Charge, as set out below.

1. THE CUSTOMER CHARGE

For each Billing Period during the term of this Agreement, the Customer Charge shall be set according to the Customer Charge specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. _____.

The current Customer Charge for customers in Service Classification No. _____ served at the Customer's delivery voltage and Load Zone and applicable to service under this Agreement is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Customer Charge will then, and only then, be pro-rated to the actual number of days in the Billing Period.

2. THE DISTRIBUTION DELIVERY CHARGE

For each Billing Period during the term of this Agreement, the Distribution Delivery Charge for Electric Service provided to the Customer by the Company under this Agreement shall be determined: (i) by multiplying the Distribution Delivery rate (per kW) as provided in this Agreement by the highest average kW of Electric Service furnished by the Company to the Customer during the Billing Period, as determined by the Company's meter at the Premises in accordance with the provisions of Service Classification No. ____ (hereinafter referred to as "Actual kW") and (ii) multiplying the Distribution Delivery rate (per kWh) as provided in this Agreement by the total kWh of Electric Service furnished by the Company to the Customer during the billing period as determined by the Company's meter at the Premises in accordance with the provisions of Service Classification No. ____ (hereinafter "Actual kWh").

For the term of this Agreement, the Distribution Delivery rate for Electric Service for each Billing Period shall be set according to the Distribution Delivery rate (per kW and per kWh) established in the Tariff specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. ____.

The current Distribution Delivery rate applicable to Electric Service furnished to the Customer under the Tariff is \$_____ per kW and \$_____ per kWh.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Distribution Delivery rate will then, and only then, be prorated to the actual number of days in the Billing Period.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

3. THE COMPETITIVE TRANSITION CHARGE PER KW

For each Billing Period during the term of this Agreement, the Competitive Transition Charge per kW for Electric Service provided to the Customer by the Company under this Agreement shall be determined by multiplying the Competitive Transition Charge rate (per kW) as provided in this Agreement by the Actual kW furnished by the Company to the Customer during the Billing Period.

For the term of this Agreement, the Competitive Transition Charge rate (per kW) for Electric Service for each Billing Period shall be set according to the Competitive Transition Charge established in the Tariff specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. ____.

The current Competitive Transition Charge per kW for Electric Service furnished to the Customer under the Tariff is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Competitive Transition Charge per kW will then, and only then, be pro-rated to the actual number of days in the Billing Period.

4.(a) THE ELECTRICITY SUPPLY COST CHARGE (Applicable to SC-2D, SC-3 (except Special Provision L), and SC-4 (Less than 2 MW) Customers)

For each Billing Period during the term of this Agreement, the charge for Electricity Supply Service furnished by the Company to the Customer at the Premises shall be determined by multiplying the Electricity Supply Cost by the kilowatt-hours of Electricity Supply Service furnished by the Company to the Customer during the Billing Period. The Electricity Supply Cost Charge shall be determined using the following formula:

$$\text{Electricity Supply Cost Charge} = \sum (\text{kWh}_{\text{BP}} * \text{ESC}_{\text{LZ,V,BP}})$$

Where:

kWh_{BP} = The total kWh of Electricity Supply Service sold by the Company to the Customer in the Billing Period.

ESC_{LZ,V,BP} = The Electricity Supply Cost of Electric Energy specific to the voltage delivery level in the load zone in which a customer takes Electricity Supply Service expressed in \$0.00000/kWh. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.

LZ = The load zone (as defined in the Tariff) in which the Customer takes Electricity Supply Service.

V = The voltage delivery level at which the Customer receives Electricity Supply Service.

BP = The Billing Period.

In the event the Customer does choose an alternate electric supplier: (a) the Customer shall avoid the Electricity Supply Cost Charge for the amount of Electricity Supply Service not purchased from the Company; and (b) the Customer shall be eligible for the Customer Service Credit according to the provisions of Rule 42 of the Tariff, or its successor.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

4.(b) THE ELECTRICITY SUPPLY COST CHARGE (Applicable to SC-3, Special Provision L Customers).
This includes customers who meet the size requirement for Special provision L during the life of this contract.

For each Billing Period during the term of this Agreement, the Charge for Electricity Supply Service furnished by the Company to the Customer shall be determined by multiplying the Electricity Supply Cost charge in each interval by the kWh of Electricity Supply Service furnished by the Company to the Customer during each interval of the Billing Period. The Electricity Supply Cost charge shall be determined using the following formula:

$$\text{Electricity Supply Cost Charge} = \sum (\text{kWh}_i * \text{ESC}_{\text{LZ},\text{V},\text{i}})$$

Where:

kWh_i	=	The kWh of Electricity Supply Service sold by the Company to the Customer in interval i.
ESC_{LZ,V,i}	=	The Electricity Supply Cost of Electric Energy for the customer's Load Zone and voltage level expressed in \$0.00000/kWh in interval i. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.
LA	=	The load zone (as defined in the Tariff) in which the customer takes Electricity Supply Service.
V	=	The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.
I	=	Hourly interval period in the Billing Period (i=1...672, 696, 720 or 744 hours).

In the event the Customer does choose an alternate electric supplier: (a) the Customer shall avoid the Electricity Supply Cost Charge for the amount of Electricity Supply Service not purchased from the Company; and (b) the Customer shall be eligible for the Customer Service Credit according to the provisions of Rule 42 of the Tariff, or its successor.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

5. THE NON-CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE

For each Billing Period during the term of this Agreement, the Non-Contestable Load Competitive Transition Charge for Electricity Supply Service furnished by the Company to the Customer shall be determined by multiplying the Competitive Transition Charge rate for Non-Contestable kilowatt-hours established in this Agreement by the Non-Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The Non-Contestable kilowatt-hours shall be as determined in Sections 5A and 5B below.

- A** If the Actual kW exceeds the Contract Load kW specified in Attachment C1, and the total Electricity Supply Service in kWh furnished by the Company to the Customer during the Billing Period (hereinafter referred to as "Actual kWh") exceeds the Contract Load kWh specified in Attachment C1, then the Non-Contestable kilowatt-hours shall be the Contract Load kWh specified in Attachment C1.
- B** If the Actual kW is less than the Contract Load kW specified in Attachment C1 and/or the Actual kWh is less than the Contract Load kWh specified in Attachment C1, then the Non-Contestable kilowatt-hours shall be the Actual kWh.

The Competitive Transition Charge rate for Non-Contestable kilowatt-hours shall be set according to the Competitive Transition Charges per kWh rate specified in Service Classification No. _____ of the Tariff at the appropriate voltage delivery level, Load Zone, and where applicable by hours of maximum kW usage for the Customer.

6. THE CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE

For each Billing Period during the term of this Agreement, the Contestable Load Competitive Transition Charge for Electricity Supply Service furnished by the Company to the Customer shall be determined by multiplying the Competitive Transition Charge rate for Contestable kilowatt-hours established in this Agreement by the Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The Contestable kilowatt-hours shall be determined as the Actual kWh less the Non-Contestable kilowatt-hours. The Contestable kilowatt-hours shall not be less than 0. If the Contract Load kW and kWh specified in Attachment C1 are both equal to zero, then the Contestable kilowatt-hours shall be equal to the Actual kWh.

For the term of this Agreement, the Competitive Transition Charge rate for Contestable kilowatt-hours shall be calculated using the following formula:

Competitive Transition Charge Rate for Contestable kilowatt-hours

= CTC per kWh rate * (1-Discout)

where:

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

6. THE CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE

CTC per kWh rate = The CTC per kWh rate shall be set according to the Competitive Transition Charge per kWh for Electric Supply Service established in the Tariff specific to the appropriate voltage delivery level and Load Zone of Service Classification No. _____. Where the Customer's otherwise applicable Competitive Transition Charge per kWh rate in the Tariff includes blocked rates, the first block CTC Charge per kWh will be used.

DISCOUNT = The Discount Percentage specified in accordance with the Service Classification No. 12 of the Tariff.

<u>Time Frame</u>	<u>Discount Percentage</u>
Year 1	____%
Year 2	____%
Year 3	____%
Year 4	____%
Year 5	____%

Year 1 shall be defined as the twelve (12) consecutive Billing Periods beginning with the Contract Start Date. Years 2, 3, 4 and 5 shall be defined as the 12 consecutive Billing Periods following the anniversary of this date.

7. THE REACTIVE POWER CHARGE

For each Billing Period during the term of this Agreement, the Reactive Power Charge shall be the product of the Customer's Reactive Power Demand and the Reactive Power Demand rate. The Customer's Reactive Power Demand in any Billing Period shall be the highest average RkVA measured in the interval specified in Service Classification No. ____ during the Billing Period, less one third of the highest kW demand measured during the Billing Period. The Reactive Power Demand rate for each Billing Period shall be specified in accordance with the Reactive Power Demand rate for Service Classification No. ____.

The current Reactive Power Demand rate specified in the Tariff is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Reactive Power Demand rate will then, and only then, be pro-rated to the actual number of days in the Billing Period.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

8. ADJUSTMENTS AND SURCHARGES

The Customer shall be subject to all adjustments and surcharges applicable to electric service furnished under Service Classification No. ____ of the Tariff.

9. MINIMUM BILL PROVISIONS

A. When Electricity Supply Service Is Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service and/or Electricity Supply Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_{\text{BP}} * (\text{ESC}_{\text{LZ,V,BP}} + \text{DCA}_{\text{BP}} + \$0.01)$$

Where:

kWh	=	The total kWh of Electricity Supply Service sold by the Company to the Customer in the Billing Period.
ESC_{LZ,V,BP}	=	The Electricity Supply Cost of Electric Energy specific to the voltage delivery level in the Load Zone in which a customer takes Electricity Supply Service expressed in \$0.00000/kWh. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.
DCA_{BP}	=	The Delivery Charge Adjustment, as defined in Rule 29 of the Tariff, applicable to the Customer in the Billing Period.
LZ	=	The Load Zone (as defined in the Tariff) in which the Customer takes Electricity Supply Service.
V	=	The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.
BP	=	Billing Period

For the purposes of determining this Minimum Price, the Company and Customer agree to use Rule 46, Electricity Supply Cost. The Company will adjust the Customer's total bill for Electric Service and/or Electricity Supply Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service and/or Electricity Supply Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

B. When Electricity Supply Service Is Not Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_{\text{BP}} * \$0.01$$

Where:

kWh_{BP} = The total kWh of Electricity Service sold or delivered by the Company to the Customer in the Billing Period.

BP = Billing Period

The Company will adjust the Customer's total bill for Electric Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

10. MINIMUM BILL PROVISIONS (Applicable to SC-3 , Special Provision L Customers)

A. When Electricity Supply Service Is Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service and/or Electricity Supply Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_i * (\text{ESC}_{\text{LZ,V,i}} + \$0.01)$$

Where:

kWh_i = The kWh of Electricity Supply Service sold by the Company to the Customer in interval i.

ESC_{LZ,V,i} = The Electricity Supply Cost of Electric Energy for the customer's Load Zone and voltage level expressed in \$0.00000/kWh in interval i. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.

V = The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.

LZ = The load zone (as defined in the Tariff) in which the Customer takes Electricity Supply Service.

i = Hourly interval period in the Billing Period (i=1...672, 696, 720 or 744 hours).

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

MINIMUM BILL PROVISIONS (Applicable to SC-3 , Special Provision L Customers)

A. When Electricity Supply Service Is Provided By The Company (continued)

For the purposes of determining this Minimum Price, the Company and Customer agree to use Rule 46 Electricity Supply Cost. The Company will adjust the Customer's total bill for Electric Service and/or Electricity Supply Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service and/or Electricity Supply Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

B. When Electricity Supply Service Is Not Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_i * \$0.01$$

Where:

kWh_i = The kWh of Electricity Service sold or delivered by the Company to the Customer in interval i.

i = Hourly interval period in the Billing Period (i =672,696,720 or 744 hours)

The Company will adjust the Customer's total bill for Electric Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

Attachment A2

Pricing Parameters for SC-3A and SC-4 (Greater than 2 MW) Customers

Subject to the provisions of Sections 11 of this Attachment A2 and to the provisions of Sections 2 and 5 of this Agreement, prices for Electric Service under this Agreement shall consist of a Customer Charge, a Distribution Delivery Charge, a Competitive Transition Charge per kW, an Electricity Supply Cost Charge, a Non-Contestable Load Competitive Transition Charge per On-peak kWh, a Non-Contestable Load Competitive Transition Charge per Off-peak kWh, a Contestable Load Competitive Transition Charge per On-peak kWh, a Contestable Load Competitive Transition Charge per Off-peak kWh, and a Reactive Power Charge, as set out below.

1. THE CUSTOMER CHARGE

For each Billing Period during the term of this Agreement, the Customer Charge shall be set according to the Customer Charge specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. 3A.

The current Customer Charge for customers in Service Classification No. 3A served at the Customer's delivery voltage and Load Zone and applicable to service under this Agreement is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Customer Charge will then, and only then, be pro-rated to the actual number of days in the Billing Period.

2. THE DISTRIBUTION DELIVERY CHARGE

For each Billing Period during the term of this Agreement, the Distribution Delivery Charge for Electric Service provided to the Customer by the Company under this Agreement shall be determined by: (i) multiplying the Distribution Delivery rate (per kW) as provided in this Agreement by the highest average kW of Electric Service furnished by the Company to the Customer during the Billing Period, as determined by the Company's meter at the Premises in accordance with the provisions of Service Classification No. 3A (hereinafter referred to as "Actual kW") and (ii) multiplying the Distribution Delivery Rate (per kWh) as provided in the Agreement by the total kWh of Electric Service furnished by the Company to the Customer during the billing period as determined by the Company's meter at the Premises in accordance with the provisions of Service Classification No. __ (hereinafter "Actual kWh").

For the term of this Agreement, the Distribution Delivery rate for Electric Service for each Billing Period shall be set according to the Distribution Delivery per kW and per kWh Charges established in the Tariff specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. 3A.

The current Distribution Delivery rate applicable to Electric Service furnished to the Customer under the Tariff is \$_____ per kW and \$_____ per kWh.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Distribution Delivery rate will then and only then, be pro-rated to the actual number of days in the Billing Period.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

3. THE COMPETITIVE TRANSITION CHARGE PER KW

For each Billing Period during the term of this Agreement, the Competitive Transition Charge per kW for Electric Service provided to the Customer by the Company under this Agreement shall be determined by multiplying the Competitive Transition Charge rate (per kW) as provided in this Agreement by the maximum on-peak kW of Electric Service furnished by the Company to the Customer during the Billing Period, as determined by the company's meter at the Premises in accordance with the provisions of Service Classification No. 3A.

For the term of this Agreement, the Competitive Transition Charge rate (per kW) for Electric Service for each Billing Period shall be set according to the Competitive Transition Charge established in the Tariff specific to the appropriate voltage delivery level and Load Zone, if applicable, of Service Classification No. 3A.

The current Competitive Transition Charge (per kW) for Electric Service furnished to the Customer under the Tariff is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Competitive Transition Charge per kW will then, and only then, be pro-rated to the actual number of days in the Billing Period.

4. THE ELECTRICITY SUPPLY COST CHARGE

For each Billing Period during the term of this Agreement, the Charge for Electricity Supply Service furnished by the Company to the Customer shall be determined by multiplying the Electricity Supply Cost charge in each interval by the kWh of Electricity Supply Service furnished by the Company to the Customer during each interval of the Billing Period. The Electricity Supply Cost charge shall be determined using the following formula:

$$\text{Electricity Supply Cost Charge} = \sum (\text{kWh}_i * \text{ESC}_{\text{LZ,V,i}})$$

Where:

kWh_i	=	The kWh of Electricity Supply Service sold by the Company to the Customer in interval i.
ESC_{LZ,V,i}	=	The Electricity Supply Cost of Electric Energy for the customer's Load Zone and voltage level expressed in \$.000000/kWh in interval i. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.
LA	=	The load zone (as defined in the Tariff) in which the customer takes Electricity Supply Service.
V	=	The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.
i	=	Hourly interval period in the Billing Period (i=1...672, 696, 720 or 744 hours).

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

In the event the Customer does choose an alternate supplier: (a) the Customer shall avoid the Electricity Supply Cost Charge for the amount of Electricity Supply Service not purchased from the Company; and (b) the Customer shall be eligible for the Customer Service Credit according to the provisions of Rule 42 of the Tariff, or its successor.

5. THE NON-CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE PER ON-PEAK KWH

For each Billing Period during the term of the Agreement, the Non-Contestable Load Competitive Transition Charge per On-peak kWh furnished by the Company to the Customer shall be determined by multiplying the On-peak Competitive Transition Charge rate for Non-Contestable kilowatt-hours established in this Agreement by the On-peak Non-Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The On-peak Non-Contestable kilowatt-hours shall be as determined in Sections 5A and 5B below.

A. If the Actual kW exceeds the Contract Load kW specified in Attachment C2, and the total kilowatt-hours furnished by the Company to the Customer during the Billing Period exceeds the Total Contract loads kWh specified in Attachment C2, then the On-Peak Contract Load kWh specified in Attachment C2, shall be the On-Peak Non-Contestable kilowatt-hours.

B. If the Actual kW is less than the Contract Load kW specified in Attachment C2 and/or the Actual On-peak kWh furnished by the Company to the Customer during the Billing Period is less than the Total Contract Load kWh specified in Attachment C2, then the On-peak Non-Contestable kilowatt-hours shall be the On-peak kilowatt-hours furnished by the Company during the Billing Period (hereinafter "Actual On-Peak kWh").

The On-peak Competitive Transition Charge rate for Non-Contestable kilowatt-hours shall be set according to the Competitive Transition Charges per On-peak kWh rate specified in Service Classification No. 3A of the Tariff at the appropriate voltage delivery level and Load Zone for the Customer.

The current Competitive Transition Charge per On-peak kWh rate for Non-Contestable kilowatt-hours at the appropriate voltage delivery level and Load Zone is

\$ _____ for the First 250 Hours of Use;

\$ _____ for the next 150 Hours Use; and

\$ _____ for over 400 Hours of Use.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

6. THE NON-CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE PER OFF-PEAK KWH

For each Billing Period during the term of the Agreement, the Non-Contestable Load Competitive Transition Charge per Off-peak kWh furnished by the Company to the Customer shall be determined by multiplying the Off-peak Competitive Transition Charge rate for Non-Contestable kilowatt-hours established in this Agreement by the Off-peak Non-Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The Off-peak Non-Contestable kilowatt-hours shall be as determined in Sections 6A and 6B below.

A. If the Actual kW exceeds the Contract Load kW specified in Attachment C2, and the total kilowatt-hours furnished by the Company to the Customer during the Billing Period exceeds the total Contract loads kWh specified in Attachment C2, then the Off-peak Contract Load kWh specified in Attachment C2, shall be the Off-Peak Non-Contestable kilowatt-hours.

B. If the Actual kW is less than the Contract Load kW specified in Attachment C2 and/or the Actual Total kWh furnished by the Company to the Customer during the Billing Period is less than the Total Contract Load kWh specified in Attachment C2, then the Off-peak Non-Contestable kilowatt-hours shall be the Off-peak kilowatt-hours furnished by the Company during the Billing Period (hereinafter "Actual Off-Peak kWh").

The Off-peak Competitive Transition Charge rate for Non-Contestable kilowatt-hours shall be set according to the Competitive Transition Charges per Off-peak kWh rate specified in Service Classification No. 3A of the Tariff at the appropriate voltage delivery level and Load Zone for the Customer.

The current Competitive Transition Charge per Off-peak kWh rate for Non-Contestable kilowatt-hours at the appropriate voltage delivery level and Load Zone is

\$_____ for the First 250 Hours of Use;

\$_____ for the next 150 Hours Use; and

\$_____ for over 400 Hours of Use.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

7. THE CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE PER ON-PEAK KWH

For each Billing Period during the term of this Agreement, the Contestable Load Competitive Transition Charge Per On-peak kWh furnished by the Company to the Customer shall be determined by multiplying the On-peak Competitive Transition Charge rate for Contestable kilowatt-hours established in this Agreement by the On-peak Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The On-peak Contestable kilowatt-hours shall be calculated as the Actual On-peak kWh minus the On-peak Non-Contestable kilowatt-hours as defined in Section 5 of this Attachment A.

The On-peak Competitive Transition Charge rate for Contestable kilowatt-hours shall be calculated using the following formula:

On-peak Competitive Transition Charge rate for Contestable kilowatt-hours = On-peak CTC per kWh rate * (1 – DISCOUNT)

Where:

On-peak CTC per kWh rate = The On-peak CTC per kWh rate shall be set according to the On-peak Competitive Transition Charge per kWh for the first block's Hours of Use established in the Tariff specific to the appropriate voltage delivery level and Load Zone of Service Classification No.3A.

The current On-peak CTC per kWh rate at the appropriate voltage delivery level and Load Zone is
\$_____.

DISCOUNT = The Discount Percentage specified in accordance with the Service Classification No. 12 of the Tariff.

<u>Time Frame</u>	<u>Discount Percentage</u>
Year 1	____%
Year 2	____%
Year 3	____%
Year 4	____%
Year 5	____%

Year 1 shall be defined as the twelve (12) consecutive Billing Periods beginning with the Contract Start Date. Years 2, 3, 4 and 5 shall be defined as the 12 consecutive Billing Periods following the anniversary of this date.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

8. THE CONTESTABLE LOAD COMPETITIVE TRANSITION CHARGE PER OFF-PEAK KWH

For each Billing Period during the term of this Agreement, the Contestable Load Competitive Transition Charge Per Off-peak kWh furnished by the Company to the Customer shall be determined by multiplying the Off-peak Competitive Transition Charge rate for Contestable kilowatt-hours established in this Agreement by the Off-peak Contestable kilowatt-hours furnished by the Company to the Customer during the Billing Period.

The Off-peak Contestable kilowatt-hours shall be calculated as the Actual Off-peak kWh minus the Off-peak Non-Contestable kilowatt-hours as defined in Section 6 of this Attachment A2.

The Off-peak Competitive Transition Charge rate for Contestable kilowatt-hours shall be calculated using the following formula:

Off-peak Competitive Transition Charge rate for Contestable kilowatt-hours = Off-peak CTC per kWh rate * (1 – DISCOUNT)

Where:

Off-peak CTC per kWh rate = The Off-peak CTC per kWh rate shall be set according to the Off-peak Competitive Transition Charge per kWh for Electric Supply Service for the first block's Hours of Use established in the Tariff specific to the appropriate voltage delivery level and Load Zone of Service Classification No.3A.

The current Off-peak CTC per kWh rate at the appropriate voltage delivery level and Load Zone is \$_____.

DISCOUNT = The Discount used shall be as specified in Section 7 of this Attachment A2.

9. THE REACTIVE POWER CHARGE

For each Billing Period during the term of the Agreement, the Customer's Reactive Power Charge shall be the product of the Customer's Reactive Power Demand and the Reactive Power Demand Charge. The Customer's Reactive Power Demand in each Billing Period shall be the highest average kilovolt-Amperes of lagging reactive demand measured in a fifteen minute interval during the Billing Period, less one third of the highest kilowatt demand measured during the Billing Period. The Reactive Power Demand Charge for each Billing Period shall be as specified in Service Classification No. 3A of the Tariff.

The current Reactive Power Demand Charge as specified in the Tariff is \$_____.

In the event that the Billing Period is less than twenty-five days or greater than thirty-five days, the Reactive Power Demand rate will then, and only then, be pro-rated to the actual number of days in the Billing Period.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

10. ADJUSTMENTS AND SURCHARGES

The Customer shall be subject to all adjustments and surcharges applicable to electric service furnished under Service Classification No. ____ of the Tariff.

11. MINIMUM BILL PROVISIONS

A. When Electricity Supply Service Is Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service and/or Electricity Supply Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_i * (\text{ESC}_{\text{LZ,V,i}} + \$0.01)$$

Where:

kWh_i = The kWh of Electricity Supply Service sold by the Company to the Customer in interval i.

ESC_{LZ,V,i} = The Electricity Supply Cost of Electric Energy for the customer's Load Zone and voltage level expressed in \$0.00000/kWh in interval i. The Electricity Supply Cost shall be determined by Rule 46, Electricity Supply Cost, of the Tariff.

V = The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.

LZ = The load zone (as defined in the Tariff) in which the Customer takes Electricity Supply Service.

i = Hourly interval period in the Billing Period (i=1...672, 696, 720 or 744 hours).

For the purposes of determining this Minimum Price, the Company and Customer agree to use Rule 46 Electricity Supply Cost. The Company will adjust the Customer's total bill for Electric Service and/or Electricity Supply Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service and/or Electricity Supply Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

B. When Electricity Supply Service Is Not Provided By The Company

Notwithstanding any other provision of this Agreement, the Customer's total charge for Electric Service provided under this Agreement in any Billing Period shall not fall below the Minimum Price as established by the following formula:

$$\text{Minimum Price} = \sum \text{kWh}_i * \$0.01$$

Where:

kWh_i = The kWh of Electricity Service sold or delivered by the Company to the Customer in interval i.

i = Hourly interval period in the Billing Period (i =672,696,720 or 744 hours)

The Company will adjust the Customer's total bill for Electric Service in any Billing Period to this Minimum Price if the Customer's bill for Electric Service in the Billing Period, as calculated in conformance with the other provisions of this Agreement, would otherwise result in a total charge in the Billing Period that would be below the Minimum Price.

Notwithstanding the foregoing, for all Agreements executed after February 15, 2001, the Company shall administer this Minimum Bill Provision on a 12 month rolling basis. Payment in excess of the Minimum Bill shall be carried forward and used to offset any Minimum Bill charges otherwise determined under this Minimum Bill Provision.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 311
REVISION: 0
SUPERSEDING REVISION:

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

Attachment B
Calculation of Termination Charge

Except as otherwise expressly provided in Section 7 of this Agreement, the Customer's right to terminate this Agreement prior to the expiration of its full term shall be as specified in this Attachment B. All charges in this Attachment B are subject to the provisions of Section 5 of this Agreement.

The Termination Charge shall be calculated by multiplying the applicable Monthly Termination Fee by the number of full calendar months remaining in the unexpired term of this Agreement on the date of termination. The Monthly Termination Fee shall be \$_____.

Accepted By: _____

As a representative of: _____
Customer Name

Date: _____

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

Attachment C1
SC-12 Contract Loads
For SC-2D, SC3, and SC-4 (Less Than 2MW) Customers

BILLING MONTH	KW (NOTE 2)	KWh
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Footnotes:

- 1) All Attachment C1 quantities reflect billed quantity amounts.
- 2) The Contract Load kW shall be based on maximum kW usage.

FORM I
CUSTOMER SERVICE AGREEMENT
FOR SERVICE CLASSIFICATION NO. 12 (Continued)

Attachment C2
SC-12 Contract Loads
For SC-3A and SC-4 (Greater Than 2MW) Customers

BILLING MONTH	KW (NOTE 2)	ON-PEAK KWH	OFF-PEAK KWH	TOTAL KWH
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Footnotes:

- 1) All Attachment C2 quantities reflect billed quantity amounts.
- 2) The Contract Load kW shall be based on maximum kW usage

**NIAGARA MOHAWK, D/B/A NATIONAL GRID
STANDARDIZED CONTRACT FOR INTERCONNECTION OF
NEW DISTRIBUTED GENERATION UNITS WITH CAPACITY OF 2 MW OR LESS CONNECTED IN
PARALLEL WITH UTILITY DISTRIBUTION SYSTEMS
FORM "K"**

Customer Information:

Name: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

Unit Application/File No. _____

Company Information:

Name: Niagara Mohawk Power Corporation,
d/b/a National Grid

Address: 175 East Old Country Rd.
Hicksville, New York 11801-4257

Telephone: (516) 545-4786

Fax: _____

Email: _____

DEFINITIONS

Dedicated Facilities means the equipment and facilities on the Company's system necessary to permit operation of the Unit in parallel with the Company's system.

Delivery Service means the services the Company may provide to deliver capacity or energy generated by Customer to a buyer to a delivery point(s), including related ancillary services.

"Net energy metering" means the use of a net energy meter to measure, during the billing period applicable to a customer-generator, the net amount of electricity supplied by an electric corporation and provided to the corporation by a customer-generator.

"SIR" means the New York State Standardized Interconnection Requirements for new distributed generation units with a nameplate capacity of 2 MW or less connected in parallel with the Company's distribution system

"Unit" means the distributed generation Unit with a nameplate capacity of 2 MW or less located on the Customer's premises at the time the company approves such Unit for operation in parallel with the Company's system. This Agreement relates only to such Unit, but a new agreement shall not be required if the customer makes physical alterations to the Unit that do not result in an increase in its nameplate generating capacity. The nameplate generating capacity of the Unit shall not exceed 2 MW.

I. TERM AND TERMINATION

1.1 Term: This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated.

**NIAGARA MOHAWK, D/B/A NATIONAL GRID
STANDARDIZED CONTRACT
FORM "K" (Continued)**

1.2 Termination: This Agreement may be terminated as follows:

- a. The Customer may terminate this Agreement at any time, by giving the Company sixty (60) days' written notice.
- b. Failure by the Customer to seek final acceptance by the Company within twelve (12) months after completion of the utility construction process described in the SIR shall automatically terminate this Agreement.
- c. Either Party may, by giving the other Party at least sixty (60) days' prior written notice, terminate this Agreement in the event that the other Party is in default of any of the material terms and conditions of this Agreement. The terminating Party shall specify in the notice the basis for the termination and shall provide a reasonable opportunity to cure the default.
- d. The Company may, by giving the customer at least sixty (60) days' prior written notice, terminate this Agreement for cause. The Customer's non-compliance with an upgrade to the SIR, unless the Customer's installation is "grandfathered," shall constitute good cause.

1.3 Disconnection and Survival of Obligations: Upon termination of this Agreement the Unit will be disconnected from the Company's electric system. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

1.4 Suspension: This Agreement will be suspended during any period in which the Customer is not eligible for delivery service from the Company.

II. SCOPE OF AGREEMENT

2.1 Scope of Agreement: This Agreement relates solely to the conditions under which the Company and the Customer agree that the Unit may be interconnected to and operated in parallel with the Company's system.

2.2 Electricity Not Covered: The Company shall have no duty under this Agreement to account for, pay for, deliver, or return in kind any electricity produced by the Facility and delivered into the Company's System unless the system is net metered as described in Public Service Law Sections 66-j or 66-l.

III. INSTALLATION, OPERATION AND MAINTENANCE OF UNIT

3.1 Compliance with SIR: Subject to the provisions of this Agreement, the Company shall be required to interconnect the Unit to the Company's system, for purposes of parallel operation, if the Company accepts the Unit as in compliance with the SIR. The Customer shall have a continuing obligation to maintain and operate the Unit in compliance with the SIR.

**NIAGARA MOHAWK, D/B/A NATIONAL GRID
STANDARDIZED CONTRACT
FORM "K" (Continued)**

3.2 Observation of the Unit - Construction Phase: The Company may, in its discretion and upon reasonable notice, conduct reasonable on-site verifications during the construction of the Unit. Whenever the Company chooses to exercise its right to conduct observations herein it shall specify to the Customer its reasons for its decision to conduct the observation. For purposes of this paragraph and paragraphs 3.3 through 3.5, the term "on-site verification" shall not include testing of the Unit, and verification tests shall not be required except as provided in paragraphs 3.3 and 3.4.

3.3 Observation of the Unit - Ten-day Period: The Company may conduct on-site verifications of the Unit and observe the execution of verification testing within a reasonable period of time, not exceeding ten (10) business days after system installation. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the verification test. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

3.4 Observation of the Unit - Post-Ten-day Period: If the Company does not perform an on-site verification of the Unit and observe the execution of verification testing within the ten-day period, the Customer will send the utility within five (5) days of the verification testing a written notification certifying that the Unit has been installed and tested in compliance with the SIR, the utility-accepted design and the equipment manufacturer's instructions. The Customer may begin to produce energy upon satisfactory completion of the verification test. After receiving the verification test notification, the Company will either issue to the applicant a formal letter of acceptance for interconnection, or may request that the applicant and utility set a date and time to conduct an on-site verification of the Unit and make reasonable inquiries of the Customer, but only for purposes of determining whether the verification tests were properly performed. The Customer shall not be required to perform the verification tests a second time, unless irregularities appear in the verification test report or there are other objective indications that the tests were not properly performed in the first instance.

3.5 Observation of the Unit - Operations: The Company may conduct on-site verification of the operations of the Unit after it commences operations if the Company has a reasonable basis for doing so based on its responsibility to provide continuous and reliable utility service or as authorized by the provisions of the Company's Retail Tariff relating to the verification of customer installations generally.

3.6 Costs of Dedicated Facilities: During the term of this Agreement, the Company shall design, construct and install the Dedicated Facilities. The Customer shall be responsible for paying the incremental capital cost of such Dedicated Facilities attributable to the Customer's Unit. All costs associated with the operation and maintenance of the Dedicated Facilities after the Unit first produces energy shall be the responsibility of the Company.

IV. DISCONNECTION OF THE UNIT

4.1 Emergency Disconnection: The Company may disconnect the Unit, without prior notice to the Customer (a) to eliminate conditions that constitute a potential hazard to Company personnel or the general public; (b) if pre-emergency or emergency conditions exist on the Company system; (c) if a hazardous condition relating to the Unit is observed by a utility inspection; or (d) if the Customer has tampered with any protective device. The Company shall notify the Customer of the emergency if circumstances permit.

**NIAGARA MOHAWK, D/B/A NATIONAL GRID
STANDARDIZED CONTRACT
FORM "K" (Continued)**

4.2 Non-Emergency Disconnection: The Company may disconnect the Unit, after notice to the responsible party has been provided and a reasonable time to correct, consistent with the conditions, has elapsed, if (a) the Customer has failed to make available records of verification tests and maintenance of his protective devices; (b) the Unit system interferes with Company equipment or equipment belonging to other customers of the Company; (c) the Unit adversely affects the quality of service of adjoining customers.

4.3 Disconnection by Customer: The Customer may disconnect the Unit at any time.

4.4 Utility Obligation to Cure Adverse Effect: If, after the Customer meets all interconnection requirements, the operations of the Company are adversely affecting the performance of the Unit or the Customer's premises, the Company shall immediately take appropriate action to eliminate the adverse effect. If the Company determines that it needs to upgrade or reconfigure its system the Customer will not be responsible for the cost of new or additional equipment beyond the point of common coupling between the Customer and the Company.

V. ACCESS

5.1 Access to Premises: The Company shall have access to the disconnect switch of the Unit at all times. At reasonable hours and upon reasonable notice consistent with Section III of this Agreement, or at any time without notice in the event of an emergency (as defined in paragraph 4.1), the Company shall have access to the Premises.

5.2 Company and Customer Representatives: The Company shall designate, and shall provide to the Customer, the name and telephone number of a representative or representatives who can be reached at all times to allow the Customer to report an emergency and obtain the assistance of the Company. For the purpose of allowing access to the premises, the Customer shall provide the Company with the name and telephone number of a person who is responsible for providing access to the Premises.

5.3 Company Right to Access Company-Owned Facilities and Equipment: If necessary for the purposes of this Agreement, the Customer shall allow the Company access to the Company's equipment and facilities located on the Premises. To the extent that the Customer does not own all or any part of the property on which the Company is required to locate its equipment or facilities to serve the Customer under this Agreement, the Customer shall secure and provide in favor of the Company the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

VI. DISPUTE RESOLUTION

6.1 Good Faith Resolution of Disputes: Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

6.2 Mediation: If a dispute arises under this Agreement, and if it cannot be resolved by the Parties within ten (10) business days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in New York State, in accordance with the then current CPR Institute for Dispute Resolution Mediation Procedure, or to mediation by a mediator provided by the New York Public Service Commission. The Parties agree to participate in good faith in the mediation for a period of up to 90 days. If the Parties are not successful in resolving their disputes through mediation, then the parties may refer the dispute for resolution to the New York Public Service Commission, which shall maintain continuing jurisdiction over this agreement.

**NIAGARA MOHAWK D/B/A NATIONAL GRID
STANDARDIZED CONTRACT
FORM "K" (Continued)**

6.3 Escrow: If there are amounts in dispute of more than two thousand dollars (\$2,000), the Customer shall either place such disputed amounts into an independent escrow account pending final resolution of the dispute in question, or provide to the Company an appropriate irrevocable standby letter of credit in lieu thereof.

VII. INSURANCE

7.1 The Customer is not required to provide general liability insurance coverage as part of this Agreement, the SIR, or any other Company requirement. Due to the risk of incurring damages however, the Public Service Commission recommends that every distributed generation customer protect itself with insurance.

7.2 Effect: The inability of the Company to require the Customer to provide general liability insurance coverage for operation of the Unit is not a waiver of any rights the Company may have to pursue remedies at law against the Customer to recover damages.

VIII. MISCELLANEOUS PROVISIONS

8.1 Beneficiaries: This Agreement is intended solely for the benefit of the parties hereto, and if a party is an agent, its principal. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any other person.

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

8.3 Entire Agreement: This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements or understandings, whether verbal or written.

8.4 Waiver: No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

8.5 Applicable Law: This Agreement shall be governed by and construed in accordance with the law of the State of New York.

8.6 Amendments: This Agreement shall not be amended unless the amendment is in writing and signed by the Company and the Customer.

**NIAGARA MOHAWK POWER CORPORATION
STANDARDIZED CONTRACT
FORM "K" (Continued)**

8.7 Force Majeure: For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

8.8 Assignment to Corporate Party: At any time during the term, the Customer may assign this Agreement to a corporation or other entity with limited liability, provided that the Customer obtains the consent of the Company. Such consent will not be withheld unless the Company can demonstrate that the corporate entity is not reasonably capable of performing the obligations of the assigning Customer under this Agreement.

8.9 Assignment to Individuals: At any time during the term, a Customer may assign this Agreement to another person, other than a corporation or other entity with limited liability, provided that the assignee is the owner, lessee, or is otherwise responsible for the Unit.

8.10 Permits and Approvals: Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction and for the operation of the Unit during the term of this Agreement.

8.11 Limitation of Liability: Neither by inspection, if any, or non-rejection, nor in any other way, does the Company give any warranty, express or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Customer or leased by the Customer from third parties, including without limitation the Unit and any structures, equipment, wires, appliances or devices appurtenant thereto.

**Niagara Mohawk Power Corporation
d/b/a National Grid
175 East Old Country Road
Hicksville, New York 11801-4257**

ACCEPTED AND AGREED:

Customer: _____

Date: _____

**Niagara Mohawk Power Corporation
d/b/a National Grid** _____

Title
Date: _____

**NEW YORK STATE STANDARDIZED APPLICATION FOR SINGLE PHASE ATTACHMENT OF
PARALLEL GENERATION EQUIPMENT 25 KW OR LESS TO THE ELECTRIC SYSTEM OF
NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID**

Customer:

Name: _____ Phone: (____) _____
Fax: (____) _____ Email: _____
Address: _____ Municipality: _____
Utility Account Number: _____

Agent (if any):

Name: _____ Phone: (____) _____
Fax: (____) _____ Email: _____
Address: _____ Municipality: _____

Consulting Engineer or Contractor:

Name: _____ Phone: (____) _____
Address: _____

Estimated In-Service Date: _____

Existing Electric Service:

Capacity: _____ Amperes Voltage: _____ Volts
Service Character: ()Single Phase ()Three Phase

Location of Protective Interface Equipment on Property:

(include address if different from customer address) _____

Energy Producing Equipment/Inverter Information:

Manufacturer: _____
Model No. _____ Version No. _____
()Synchronous ()Induction ()Inverter ()Other _____
Rating: _____ kW Rating: _____ kVA
Generator Connection: ()Delta ()Wye ()Wye Grounded
Interconnection Voltage: _____ Volts
System Type Tested (Total System): ()Yes ()No; attach product literature
Equipment Type Tested (i.e. Inverter, Protection System):
()Yes ()No; attach product literature
Three line Diagram attached: ()Yes
Installation Test Plan attached: ()Yes
If applicable, Certification to UL 1741 attached: ()Yes

Signature:

CUSTOMER/AGENT SIGNATURE

TITLE

DATE

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 321
REVISION: 0
SUPERSEDING REVISION:

**NEW YORK STATE STANDARDIZED APPLICATION FOR ATTACHMENT OF PARALLEL GENERATION
EQUIPMENT ABOVE 25 KW UP TO 2 MW TO THE ELECTRIC SYSTEM OF
NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID**

Customer:

Name: _____ Phone: (____) _____

Fax: (____) _____ Email: _____

Address: _____ Municipality: _____

Utility Account Number: _____

Agent (if any):

Name: _____ Phone: (____) _____

Fax: (____) _____ Email: _____

Address: _____ Municipality: _____

Consulting Engineer or Contractor:

Name: _____ Phone: (____) _____

Address: _____

Estimated In-Service Date: _____

Existing Electric Service:

Capacity: _____ Amperes Voltage: _____ Volts

Service Character: () Single Phase () Three Phase

Secondary 3 Phase Transformer Connection () Wye () Delta

Location of Protective Interface Equipment on Property:

(include address if different from customer address) _____

Energy Producing Equipment/Inverter Information:

Manufacturer: _____

Model No. _____ Version No. _____

() Synchronous () Induction () Inverter () Other _____

Rating: _____ kW Rating: _____ kVA

Rated Output: _____ VA Rated Voltage: _____ Volts

Rate Frequency: _____ Hertz Rated Speed: _____ RPM

Efficiency: _____ % Power Factor: _____ %

Rated Current: _____ Amps Locked Rotor Current: _____ Amps

Synchronous Speed: _____ RPM Winding Connection:

Min. Operating Freq./Time:

Generator Connection: () Delta () Wye () Wye Grounded

System Type Tested (Total System): () Yes () No; attach product literature

Equipment Type Tested (i.e. Inverter, Protection System):

() Yes () No; attach product literature

Three line Diagram attached: () Yes

Verification Test Plan attached: () Yes

If applicable, Certification to UL 1741 attached: () Yes

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 322
REVISION: 0
SUPERSEDING REVISION:

**NEW YORK STATE STANDARDIZED APPLICATION FOR ATTACHMENT OF PARALLEL GENERATION
EQUIPMENT ABOVE 25 KW UP TO 2 MW TO THE ELECTRIC SYSTEM OF
NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID**

For Synchronous Machines:

Submit copies of the Saturation Curve and the Vee Curve
() Salient () Non-Salient
Torque: _____ lb-ft Rated RPM: _____
Field Amperes: _____ at rated generator voltage and current
and _____ % PF over-excited
Type of Exciter: _____
Output Power of Exciter: _____
Type of Voltage Regulator: _____
Direct-axis Synchronous Reactance (X_d) _____ ohms
Direct-axis Transient Reactance (X'_d) _____ ohms
Direct-axis Sub-transient Reactance (X''_d) _____ ohms

For Induction Machines:

Rotor Resistance (R_r) _____ ohms Exciting Current _____ Amps
Rotor Reactance (X_r) _____ ohms Reactive Power Required:
Magnetizing Reactance (X_m) _____ ohms _____ VARs (No Load)
Stator Resistance (R_s) _____ ohms _____ VARs (Full Load)
Stator Reactance (X_s) _____ ohms
Short Circuit Reactance (X''_d) _____ ohms Phases:
Frame Size: _____ Design Letter: _____ () Single
Temp. Rise: _____ °C. () Three-Phase

For Inverters:

Manufacturer: _____ Model: _____
Type: _____ () Forced Commutated () Line Commutated
Rated Output: _____ Amps _____ Volts
Efficiency: _____ %

Signature:

CUSTOMER/AGENT SIGNATURE

TITLE

DATE

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

This Agreement executed on this _____ day of _____, _____ ("the Agreement") witnesseth that:

WHEREAS, Niagara Mohawk Power Corporation (hereinafter called "the Company") presently operates a vertically integrated system for the generation, transmission, and distribution of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution and delivery services to the Premises; and

WHEREAS, the _____ (hereinafter called "the Customer") operates a facility located on the Premises at _____, New York, _____ ("the Premises"); and

WHEREAS, the Customer receives Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 - Electricity ("the Tariff") Service Classification No. _____ under the account number _____; and

WHEREAS, the New York Independent System Operator (hereinafter referred to as "NYISO") operates the bulk power transmission system in New York State; and

WHEREAS, in recognition of a potential capacity shortage in New York State, the NYISO has instituted a Voluntary Emergency Demand Response Program (hereinafter referred to as "EDRP"); and

WHEREAS, the New York Public Service Commission (hereinafter referred to as "the Commission") has requested the Company's active participation in the EDRP; and

WHEREAS, the Company is willing to participate in the EDRP subject to the terms and conditions as provided herein; and

WHEREAS, the Customer hereby agrees to participate in the EDRP under the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and Customer agrees to the terms and conditions provided herein as follows:

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

1. Emergency Demand Response Program Via-Load Curtailmen

The Emergency Demand Response Program (EDRP - VLC) provides the NYISO through the Company, with the right to call upon the Customer and the Customer's option to curtail load in the event the New York Independent System Operator (hereinafter the "NYISO") requests voluntary load curtailment. Upon each EDRP Event, as specified in Section 4 of this Agreement, the Customer shall have the option to curtail electric usage at their Premises and be compensated by the Company as provided herein.

2. Eligibility

Subject to interval based meter requirements, Customers served under Service Classification No. 2D, 3, 3A, 4, and in 11 and 12 as amended by their Customer Service Agreements, shall be eligible to participate under this Agreement. Customers must be able to provide a minimum of 100 kW of load reduction.

3. Incentive Payment

An Incentive Payment to the Customer for participation in this program shall be calculated as follows:

$$IP = \text{MAXIMUM OF 0 or 90\%} * (CBL_h - AQ_h) * IPLSE$$

Where:

IP is the Incentive Payment made to the Customer by the Company for participating in the Curtailment Event.

IPLSE is the Incentive Payment paid by the NYISO to the Company as a Load Serving Entity for participating in the Curtailment Event, which the Company shall convert to a \$ per kWh payment by dividing it by the total number of kWh curtailed during the Curtailment Event from all participating customers.

AQ_h is the Customer's actual energy usage in the hour(s) during which the EDRP occurs.

CBL_h is the Customer's Baseline Load and represents the point from which the Incentive Payment and the Customer's response to the EDRP shall be measured. CBL_h shall be determined in accordance with the NYISO tariffs and procedures.

h is the hour(s) of the EDRP Event.

Incentive payments shall only be greater than zero ("0") as there are no penalties for non-compliance with the Emergency Demand Response Program.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

4. EDRP Event

The Company and the Customer agree that the EDRP Event shall only be called during the NYISO Dispatch Day (specifically during a dispatch-day after the NYISO Day-Ahead bids are submitted, namely 0500 the prior dispatch-day). Customer and Company shall each provide written notice to the other, within five (5) days of execution of this Agreement, their respective designated persons authorized to arrange electric curtailment by the Customer. All EDRP Events shall be determined solely by the NYISO and communicated to the Customer through the Company.

5. Metering

All electricity load measurement for this Agreement shall utilize the Company's interval based meter at the Customer Premise. Where an interval meter must be installed, Customer shall be responsible for all metering and installation costs not otherwise covered by New York State Research and Development Authority (NYSERDA). The metering and installation costs are a function of the individual Customer's electric service. Metering and installation costs are available from Company representatives.

Metering communications are necessary for program administration. Where meter reading communications must be installed, Company shall provide the necessary communications equipment to the Customer's meter which records the electric requirements delivered to the Customer's Premises. Customer agrees to pay the Company an Incremental Customer Charge in the amount of \$34.84 per month to cover the incremental cost of metering communications unless the Customer is: (1) already subscribed to an Economic Development Program as provided for in Rule 34.4 or 34.5 of the Tariff, or (2) subject to S.C. No. 3, Special Provision L.

6. Term

The term of this Agreement will begin on the date of execution and shall terminate upon 5 days prior written notice by either the Company or the Customer.

7. Notices

All notices shall be provided in writing to the Company and the Customer except as expressly otherwise noted in this Agreement.

A. EDRP Event Notices

Within five (5) business days of executing this Agreement, the Company and the Customer shall identify an individual responsible for administering the EDRP Event(s). The Company and the Customer shall provide the following information to each other.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

Name: _____

Position: _____

Phone Number: _____

Pager Number: _____

e-mail address: _____

Fax Number: _____

B. Termination and All Other Notices

Termination and all other notices shall be provided as follows:

If to the Company,

Director – Program and Policy Administration, Niagara Mohawk Power Corporation, 300 Erie Blvd. West,
Syracuse, New York 13202.

If to the Customer,

Title _____

Company _____

Street _____

City _____

State _____

Zip _____

8. Payments

The Customer will continue to be billed for electric service under its existing terms and conditions of their service classification. The Company shall credit the Customer's retail invoice as a line item adjustment to the invoices for the Billing Period that is immediately following the month in which the Company receives payment from the NYISO based upon metered information. All payments shall be subject to updates based on final true-ups performed by the NYISO.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

9. EDRP Event Duration

The duration of the EDRP Event shall be not less than 4 hours.

10. Frequency of EDRP Events

The Company shall only call upon the Customer to curtail usage when requested to do so by the NYISO.

11. Advance Notice of EDRP Event

The Company shall provide the Customer with at least one hour of advance notice of the EDRP Event.

12. Taxes

All rates, charges, and fees, including any applicable adjustments within this Agreement, will be increased by a tax factor in accordance with Rule 32 of the Tariff. Sales taxes shall be applied, where applicable.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 328
REVISION: 0
SUPERSEDING REVISION:

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via Voluntary Load Curtailment (EDRP - VLC)
Form L9**

In Witness Whereof, the Company and the Customer hereto have caused this Agreement to be executed as of the day and year first above written.

(the Customer)

Authorized By: _____

Title: _____

As a Representative of: _____

Date: _____

Niagara Mohawk Power Corporation
(the Company)

Authorized By: _____

Title: _____

As a Representative of: Niagara Mohawk Power Corporation

Date: _____

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

This Agreement executed on this _____ day of _____, _____ ("the Agreement") witnesseth that:

WHEREAS, Niagara Mohawk Power Corporation (hereinafter called "the Company") presently operates a vertically integrated system for the generation, transmission, and distribution of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution and delivery services to the Premises; and

WHEREAS, the _____ (hereinafter called "the Customer") operates an on-site generator(s) at their facility located on the Premises at _____, New York, _____ ("the Premises"); and

WHEREAS, the Customer receives Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 - Electricity ("the Tariff") Service Classification No. _____ under the account number _____; and

WHEREAS, the New York Independent System Operator (hereinafter referred to as "NYISO") operates the bulk power transmission system in New York State; and

WHEREAS, in recognition of a potential capacity shortage in New York State, the NYISO has instituted a Voluntary Emergency Demand Response Program (hereinafter referred to as "EDRP"); and

WHEREAS, the New York Public Service Commission (hereinafter referred to as "the Commission") has requested the Company's active participation in the EDRP; and

WHEREAS, the Company is willing to participate in the EDRP subject to the terms and conditions as provided herein; and

WHEREAS, the Customer hereby agrees to participate in the EDRP under the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and Customer agrees to the terms and conditions provided herein as follows:

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

1. Emergency Demand Response Program Using On-Site Generation

The Emergency Demand Response Program Using On-Site Generation (EDRP - OSG) provides the NYISO through the Company, with the right to call upon the Customer to operate their on-site generator(s) in the event the New York Independent System Operator (hereinafter the "NYISO") requests voluntary load curtailment. Upon each EDRP Event, as specified in Section 4 of this Agreement, the Customer shall have the option to operate their on-site generator(s) at their Premises and be compensated by the Company as provided herein.

2. Eligibility

Customers who own and operate on-site generator(s) located on the Customer Premise and meet all of the following criteria shall be eligible to participate under this Agreement:

have load metering installed in accordance with Section 5 of this Agreement; and

Generators must be capable of providing a minimum of 100 kW of load reduction, inclusive of losses; and

Generators must not be synchronized to Niagara Mohawk's local distribution system or, if synchronized to the local distribution system, support a load that is equal to or in excess of the generator's capacity. On-site generators that are base loaded do not qualify for the EDRP; and,

have an executed Form G or Form Gf with the Company.

Participation under this Agreement shall in no way impact or revise the Customer's obligations or revise the Customer's obligations or exemptions under S.C. No. 7 charges during each EDRP Event.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

3. Incentive Payment

An Incentive Payment to the Customer for participation in this program shall be calculated as follows:

$$\text{IP} = \text{MAXIMUM OF 0 or 90\%} * (\text{CBL}_h - \text{AQ}_h) * \text{IPLSE}$$

Where:

IP is the Incentive Payment made to the Customer by the Company for participating in the Curtailment Event.

IPLSE is the Incentive Payment paid by the NYISO to the Company as a Load Serving Entity for participating in the Curtailment Event, which the Company shall convert to a \$ per kWh payment by dividing it by the total number of kWh curtailed during the Curtailment Event from all participating customers.

AQ_h is the Customer's actual energy usage in the hour(s) during which the EDRP occurs.

CBL_h is the Customer's Baseline Load and represents the point from which the Incentive Payment and the Customer's response to the EDRP shall be measured. CBL_h shall be determined in accordance with the NYISO tariffs and procedures.

h is the hour(s) of the EDRP Event.

Incentive payments shall only be greater than zero ("0") as there are no penalties for non-compliance with the Emergency Demand Response Program.

4. EDRP Event

The Company and the Customer agree that the EDRP Event shall only be called during the NYISO Dispatch Day (specifically during a dispatch-day after the NYISO Day-Ahead bids are submitted, namely 0500 the prior dispatch-day). Customer and Company shall each provide written notice to the other, within five (5) days of execution of this agreement, their respective designated persons authorized to arrange the voluntary operation of their on-site generation by the Customer. All EDRP Events shall be determined solely by the NYISO and communicated to the Customer through the Company.

5. Metering

All electricity load measurement for this Agreement shall utilize the Company's interval based meter at the Customer Premise. Where an interval meter must be installed, Customer shall be responsible for all metering and installation costs not otherwise covered by New York State Research and Development Authority (NYSERDA). The metering and installation costs are a function of the individual Customer's electric service. Metering and installation costs are available from Company representatives.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

Metering communications are necessary for program administration. Where meter reading communications must be installed, Company shall provide the necessary communications equipment to the Customer's meter which records the electric requirements delivered to the Customer's Premises. Customer agrees to pay the Company an Incremental Customer Charge in the amount of \$34.84 per month to cover the incremental cost of metering communications unless the Customer (1) is already subscribed to an Economic Development Program as provided for in Rule 34.4 or 34.5 of the Tariff, or (2) subject to S.C. No. 3, Special Provision L.

6. Term

The term of this Agreement will begin on the date of execution and shall terminate upon 5 days prior written notice by either the Company or the Customer.

7. Notices

All notices shall be provided in writing to the Company and the Customer except as expressly otherwise noted in this Agreement.

A. EDRP Event Notices

Within five (5) business days of executing this Agreement, the Company and the Customer shall identify an individual responsible for administering the EDRP Event(s). The Company and the Customer shall provide the following information to each other.

Name: _____

Position: _____

Phone Number: _____

Pager Number: _____

e-mail address: _____

Fax Number: _____

B. Termination and All Other Notices

Termination and all other notices shall be provided as follows:

If to the Company,

Director – Program and Policy Administration, Niagara Mohawk Power Corporation, 300 Erie Blvd. West,
Syracuse, New York 13202.

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

If to the Customer,

Title: _____
Company _____
Street _____
City _____
State _____
Zip _____

8. Payments

The Customer will continue to be billed for electric service under its existing terms and conditions of their service classification. The Company shall credit the Customer's retail invoice as a line item adjustment to the invoices for the Billing Period that is immediately following the month in which the Company receives payment from the NYISO based upon metered information. All payments shall be subject to updates based on final true-ups performed by the NYISO.

9. EDRP Event Duration

The duration of the EDRP Event shall be not less than 4 hours.

10. Frequency of EDRP Events

The Company shall only call upon the Customer to generate usage when requested to do so by the NYISO.

11. Advance Notice of EDRP Event

The Company shall provide the Customer with at least one hour of advance notice of the EDRP Event.

12. Taxes

All rates, charges, and fees, including any applicable adjustments within this Agreement, will be increased by a tax factor in accordance with Rule 32 of the Tariff. Sales taxes shall be applied, where applicable.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 334
REVISION: 0
SUPERSEDING REVISION:

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

In Witness Whereof, the Company and the Customer hereto have caused this Agreement to be executed as of the day and year first above written.

(the Customer)

Authorized By: _____

Title: _____

As a Representative of: _____

Date: _____

Niagara Mohawk Power Corporation d/b/a National Grid
(the Company)

Authorized By: _____

Title: _____

As a Representative of: Niagara Mohawk Power Corporation d/b/a National Grid

Date: _____

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11**

This Agreement executed on this _____ day of _____, _____ (the Agreement) witnesseth that:

WHEREAS, Niagara Mohawk Power Corporation (hereinafter called "the Company") presently operates a vertically integrated system for the generation, transmission, and distribution of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution and delivery services to the Premises; and

WHEREAS, _____ (hereinafter called "the Customer") operates a facility located on the Premises at _____, New York, _____ ("the Premises"); and

WHEREAS, the Customer receives Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 Electricity ("the Tariff") Service Classification No. _____ under the account number _____; and

WHEREAS, the Customer hereby requests to participate in the New York Independent System Operator (hereinafter "NYISO") Day-Ahead Demand Response Program under the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and Customer agree to the terms and conditions provided herein as follows:

1. Day-Ahead Demand Response Program

The Day-Ahead Demand Response Program provides the Company with the right to call upon one or more Customers and the Customer or Customers with the obligation to curtail load in the event the NYISO accepts a decremental bid submitted by the Company on behalf of one or more Customers ("Accepted Bid"). Upon each Accepted Bid, the Customer shall have the obligation to curtail load at its Premises and be compensated by the Company as provided in Section 5 of this Agreement. Failure of a Customer to comply with an Accepted Bid, shall result in a non-compliance penalty as specified in Section 6 of this Agreement.

2. Eligibility

This program shall be limited to those Customers who are served under the pricing provisions of Service Classification No. 2D, 3, 3A, 4, 11, and 12, have an interval based meter and who can reduce demand by a minimum of 100 kW. Participation in this program shall in no way modify the price and quantity terms of service under Service Classification No. 2D, 3, 3A, 4, 11, or 12.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

3. Decremental Load Bidding

A. Customer Bidding Via Company Forms

The Company shall submit at its discretion, on behalf of the Customer (or a group of Customers), a decremental bid representing the minimum incentive requested by the Customer(s) to reduce their electric consumption by a pre-determined amount in kW per hour.

Customer shall submit to the Company a decremental bid which the Company will in turn submit to the NYISO for consideration in their day-ahead supply bidding procedures. Bid forms are available from Company representatives as specified below and request relevant information required by the NYISO in order to perform their evaluation in accepting or rejecting the Customer's bid. The Company will not submit bids on behalf of Customers which do not contain all requested information.

Decremental bids in increments of 100 kW may be submitted by the Customer in a form which the Company will use to aggregate load bids with other Customers ("Aggregated Bid Form"). The NYISO will only accept bids in 1,000 kW increments, therefore, Customers who submit bids in less than 1,000 kW increments authorize the Company to aggregate their bids with other Customer's bids to the extent possible to develop a bid in 1,000 kW increments to be provided to the NYISO. Company reserves the right to reduce bids when aggregating bids from more than one Customer to comply with NYISO bidding requirements.

Alternatively, and subject to the requirements of the NYISO, Customers may submit bids on the Company prescribed form, which the Company will bid to the NYISO on behalf of the Customer only ("Individual Bid Form"). Customers who wish to have their load bids submitted on their behalf only, are required to bid a minimum of 1,000 kW in each hour and meet the requirements of the NYISO. Customers who submit bids with the intention of being submitted solely for their behalf may also submit additional load bids in 100 kW increments on Company prescribed forms which the Company will attempt to aggregate with other Customers as described above.

Customers submitting bids using the Individual Bid Form must submit revised bid forms to the Company by 5:00 p.m. Tuesday, for use in bids submitted to the NYISO Monday through Sunday of the following week. The Company reserves the right to modify the advance notice for bid revisions, provided however, the advance notice for bid revisions shall only be modified in a manner which provides the Customer with the ability to revise their load bids more frequently. Company shall notify the Customer of any increased flexibility in revising their bids. The advance notice for bid revisions do not apply to Customers participating in the Direct Bidding Option as specified in Section 3B. Direct Bidding Option customers will submit bids and bid revisions in accordance Section 3B and NYISO tariffs and procedures.

Customers submitting bids using the Aggregated Bid Form must submit revised bid forms to the Company by 11:00 am of the day two (2) days prior to the bid load reduction day, with the exception that bid revisions for load reductions on Sunday, Monday or Tuesday be received by 11 am of the prior Thursday.

The Company will continue to use the last bid received from the Customer until such time that a bid revision is submitted as specified above.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

3. Decremental Load Bidding

B. Direct Bidding Option

B1. Participation

The Customer shall, if eligible and approved by the Company and the NYISO, submit its own bid directly to the NYISO under the terms provided herein ("Direct Bidding Option") in lieu of providing bids in accordance with Section 3A above.

To participate in the Direct Bidding Option, the Customer must meet the following requirements:

1. Have an executed Form L11 in effect with the Company;
2. Be registered with the NYISO as a Demand Side Resource for the Day Ahead Demand Response Program;
3. Have obtained from the NYISO the assignment of an Individual Demand Response Bid Slot for their decremental bids;
4. Request a Digital Certificate from the NYISO in accordance with NYISO procedures, specifically as found in the NYISO Technical Bulletin 1: Applying for a Digital Certificate.
5. Request the right to participate in the Direct Bidding Option by providing written notice of such request to the Company, which request shall include confirmation by the Customer that items 1 through 4 above have been met and shall also include the following information regarding the Customer's authorized individual that will be placing bids on behalf of the Customer:

Company Name _____

Authorized Bidder Name _____

Login ID _____

Password _____

E-mail Address _____

Phone _____

Following receipt of the Customer's written request in accordance with item 5 above, the Company shall notify the NYISO of the Customer's request to directly bid their decremental Bids using the NYISO's Market Information System ("MIS System"). The Company shall request the NYISO to grant the Digital Certificate to the Customer. Following notification by the NYISO to the Company that the NYISO is ready to accept direct bids from the Customer under the MIS System, the Company shall activate the Customer's access to the MIS System for the Authorized Bidder as identified in item 5 above. The Customer may revise the information in item 5 above with written notice to the Company in accordance with Section 10 of this Agreement.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

B2. Responsibilities

Once the Company has activated the Authorized Bidder, the Customer shall be responsible for the following requirements:

1. Submittal of all of the Customer's decremental bids and any subsequent revised decremental bids to the NYISO in accordance with the NYISO tariffs and procedures;
2. Understanding how to correctly use the MIS System to make their bids accurately;
3. Loading the NYISO provided Digital Certificate onto the Customer's computer as required by the NYISO procedures;
4. Maintaining security for access under the Login ID and Password for the MIS System;
5. Monitoring the MIS System to determine if their decremental bid has been accepted by the NYISO;
6. Providing the load reduction in accordance with their accepted bids and in accordance with the remaining terms of this Agreement.

Under the Direct Bidding Option, the Company shall be relieved of its responsibility to provide bids on behalf of the Customer as set out in Section 3A above as well as its responsibility to provide notification of Accepted Bids to the Customer under Sections 7 and 10 of this Agreement.

B3. Termination of Direct Bidding Option

Customer's participation and responsibilities under the Direct Bidding Option shall continue until one of the following events occur:

1. the NYISO revokes the Customer's Individual Demand Response Bid Slot;
2. either the Customer or the Company terminates this Agreement in accordance with Section 9;
3. either the Company or the NYISO revokes the Customer's authorization to bid directly into the MIS System;
4. the Customer, with seven (7) days written notice as provided in accordance with Section 10 of this Agreement, requests the Company to assume bidding responsibility for the Customer in accordance with Section 3A herein.

Subject to the provisions of this Section 3B, all bids submitted by the Customer under the Direct Bidding Option shall be subject to the remaining terms of this Agreement, including the provisions of the Incentive Payment in Section 5 and the Non-Compliance Penalty provisions in Section 6 of this Agreement.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

4. Accepted Bid Compliance

Accepted Bid compliance shall be determined on a Customer by Customer basis at the Premises. A Customer who responds to an Accepted Bid shall be paid incentives according to the provisions of Section 5, of this Agreement. A Customer who does not comply with an Accepted Bid shall be subject to a Non-Compliance Penalty according to the provisions of Section 6, of this Agreement.

The Customer's compliance of an Accepted Bid, in response to Company's notification as specified under Section 10, or as determined by the Customer in accordance with Section 3B, if applicable, shall be determined based upon the Customer's actual energy usage for each hour of the Accepted Bid duration relative to the Customer's Customer Baseline Load ("CBL"). The CBL shall be determined in accordance with the NYISO's Day-Ahead Demand Response Program procedures, as may be revised from time to time, which are available from Company representatives.

5. Incentive Payment

5.1 An Incentive Payment to one or more Customers for complying with an Accepted Bid shall be calculated as follows:

$$\text{DADRP}_{d,h} = 90\% * [\text{Maximum of } \text{BP}_{d,h} \text{ or } \text{DALBMP}_{d,h}] * \text{SB}_{d,h}$$

Where:

$\text{DADRP}_{d,h}$ is the Day-Ahead Demand Response Payment paid to the Customer for providing the accepted decremental load bid to the NYISO through the Company on day d, in hour h.

$\text{BP}_{d,h}$ is the bid price submitted by the Customer to the Company on day d in hour h. The bid price represents the price at which the Customer is willing to accept a curtailment and receive payment for that curtailment in lieu of using the electric energy on day d, in hour h. Bids submitted on behalf of an individual customer may include a separate Curtailment Initiation Cost as specified in the NYISO Day-Ahead Demand Response Program Manual. In the event the NYISO makes a supplemental payment to the Company to compensate for the Curtailment Initiation Cost, the Company will include 90% of this supplemental payment to the Customer as part of the Incentive Payment. Customer's who submit their bids to the Company to be aggregated with other Customer bids must include their curtailment initiation cost within their Bid price.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

DALBMP_{d,h} is the Day Ahead Location Based Marginal Price of electricity as determined by the NYISO specific to the bus where the NYISO evaluates the decremental load bid provided by the Customer and submitted by the Company to the NYISO for evaluating curtailable load relative to generated load.

SB_{d,h} is the scheduled bid of curtailable energy submitted by the Company on behalf of the Customer(s), (as may be reduced by the Company for aggregated bids as specified in Section 3) which is accepted by the NYISO on day d, in hour h. The scheduled bid represents the quantity of demand (in kW) and associated energy which corresponds to the bid price at which the Customer is willing to accept a curtailment and receive payment for that curtailment in lieu of using the electric energy during day d, in hour h.

d is the day of curtailment for the Accepted Bid.

h is the hour of the day of curtailment for the Accepted Bid.

5.2 Incentive Payments for decremental bids submitted on behalf of more than one Customer shall be prorated to individual Customers according to the ratio of the individual Customer's decremental bid to the total bid accepted by the NYISO for that group of Customers. Customer acknowledges that their load bid may be accepted in whole or in part and as such acknowledge and accept that Day Ahead Demand Response Payments may represent compensation from partial load bids submitted on behalf of more than one Customer.

5.3 There are no Day-Ahead Demand Response Payments for demand and energy reductions resulting from the use of Customer owned and operated on-site generation facilities. Customers participating in the Day-Ahead Demand Response Program and operating on-site generation facilities shall have their Day-Ahead Demand Response Payments adjusted to reflect the use of the on-site generation system. The Company shall make the adjustment by subtracting the Customer's kW reduction provided from On-Site Generation ("OSG Reduction") from the Scheduled Bid as defined above. The OSG Reduction shall be determined as the on-site generation's actual output minus the Customer Baseline Load of the Generator. The OSG Reduction shall not be less than zero (0). The Customer Baseline Load for the generating facility shall be calculated in conformance with the NYISO Day-Ahead Demand Response Program Manual as may be revised from time to time.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

6. Non-Compliance Penalty

A non-compliance penalty shall be assessed to the Customer in the event a Day Ahead decremental bid is accepted and the Customer does not curtail load by an amount at least equal to that which they have bid to the NYISO through the Company.

$$NCP_h = (\text{Maximum of } 0 \text{ or } (SB_{d,h} - CLR_{d,h})) * \text{Maximum of } (PDAM_{d,h} \text{ or } PRT_{d,h})$$

Where:

NCP_h is the non-compliance penalty in each hour which the Company shall assess to the Customer for failure to reduce load by the amount bid by the Company to the NYISO.

$SB_{d,h}$ is the scheduled bid of curtailable energy accepted by the NYISO on day d, in hour h as defined in Section 5.1 above.

$CLR_{d,h}$ is the Customer's actual load reduction during the Accepted Bid duration which occurred on day d, in hour h. $CLR_{d,h}$ shall be determined as the difference between the Customer's CBL and the Customer's actual load on day d of hour h of the Accepted Bid. CBL is the Customer's Baseline Load and shall be determined in accordance with the NYISO Tariffs and procedures.

$PDAM_{d,h}$ is the Day-ahead market energy price of the NYISO posted for the Load Zone in which the Customer takes electric service from the Company inclusive of any post corrections by the NYISO for the hour in question; and

$PRT_{d,h}$ is the Real-time market energy price of the NYISO posted for the Load Zone in which the Customer takes electric service from the Company inclusive of any post corrections by the NYISO for the hour in question; and

d is the day of the curtailment for the Accepted Bid.

h is the hour of the day of the curtailment for the Accepted Bid.

7. Day-Ahead Demand Response Accepted Bids

All Day-Ahead Demand Response Accepted Bids shall be determined solely by the NYISO and communicated to Customer by the Company, unless the Customer is participating in the Direct Bidding Option as specified in Section 3B in which case the Customer shall be responsible for monitoring whether their bid was accepted by the NYISO. Customer and Company shall each provide written notice to the other, within five (5) days of execution of this Agreement, of their respective designated persons authorized to arrange a Day-Ahead Demand Response for the Accepted Bid.

**Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)**

8. Metering

All electricity load measurement for this Agreement shall utilize the Company's interval based meter at the Customer Premise. Where an interval meter must be installed, Customer shall be responsible for all metering and installation costs not otherwise covered by New York State Research and Development Authority (NYSERDA). The metering and installation costs are a function of the individual Customer's electric service. Metering and installation costs are available from Company representatives.

Metering communications are necessary for program administration. Where meter reading communications must be installed, Company shall provide the necessary communications equipment to the Customer's meter which records the electric requirements delivered to the Customer's Premises. Customer agrees to pay the Company an Incremental Customer Charge in the amount of \$34.84 per month to cover the incremental cost of metering communications unless the Customer (1) is already subscribed to an Economic Development Program as provided for in Rule 34.4 or 34.5 of the Tariff, or (2) subject to S.C. No. 3, Special Provisions L.

Customers operating on-site generation facilities and requesting participation in the Day Ahead Demand Response Program shall be required to have, and where necessary install, interval based metering and necessary communication equipment on their incoming delivery service from the Company and the output of the on-site generation facility. Customer shall be responsible for all metering and communication devices and associated costs as prescribed above.

9. Term

The term of this Agreement will begin on the date of execution and shall terminate upon 30-days prior written notice by either the Company or the Customer.

10. Notices

All notices shall be provided in writing to the Company and the Customer except as otherwise expressly provided in this Agreement.

Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (continued)

A. Curtailment Notices

Within five (5) business days of executing this Agreement, the Company and the Customer shall identify an individual responsible for administering the Day-Ahead Demand Response Program. The Company and the Customer shall provide the following information to each other.

Name: _____
Position: _____
Phone Number: _____
Pager Number: _____
e-mail address: _____
Fax Number: _____

The Company reserves the right to notify the Customer of the Accepted Bid using any one of the communications mediums identified above. The Company shall be deemed to have fulfilled its obligations of notifications by providing proof of contact.

B. Bid Revisions

Unless otherwise explicitly provided in this Agreement or an amendment to this agreement, bid revisions shall be submitted as follows:

B1. Power Transactions and Scheduling, Niagara Mohawk Power Corporation, Henry Clay Blvd., Liverpool, New York 13088, and to

B2. Company Representative,

Title: _____
Company Niagara Mohawk Power Corporation
Street _____
City _____
State _____
Zip _____

C. Termination and All Other Notices

Termination and all other notices shall be provided as follows:

If to the Company,

Director – Program and Policy Administration, Niagara Mohawk Power Corporation, 300 Erie Blvd. West, Syracuse, New York 13202.

Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (Continued)

If to the Customer,

Title: _____
Company _____
Street _____
City _____
State _____
Zip _____

11. Payments

The Customer will continue to be billed for electric service under its existing terms and conditions of their service classification. The Company shall debit or credit the Customer's retail invoice as a line item adjustment to the invoices for the Billing Period that is immediately following the month in which the Company receives payment or penalty from the NYISO based upon actual metered information. All payments and penalties shall be subject to updates based on final true-ups performed by the NYISO.

12. Accepted Bid Duration

The duration of the Accepted Bid shall be determined by the NYISO.

13. Frequency of Accepted Bids

There is no limit on the number of times a Customer may be called upon to participate under this program, however, the Customer may modify their decremental bid by submitting a revised decremental bid form pursuant to Section 10B. Customers participating in the Direct Bidding Option as specified in Section 3B shall submit revised bids in accordance with the NYISO tariffs and procedures.

14. Advance Notice of Accepted Bids

With the exception of Customers participating in the Direct Bidding Option in accordance with Section 3B, the Company shall provide the Customer with notice of an Accepted Bid by 5:00 p.m. of the day immediately preceding the required curtailment for the Accepted Bid.

15. Taxes

All rates, charges, and fees, including any applicable adjustments within this Agreement, will be increased by a tax factor in accordance with Rule 32 of the Tariff. Sales taxes shall be applied, where applicable.

Niagara Mohawk Power Corporation
Day Ahead Demand Response Program Via Load Curtailment
Form L11 (Continued)

16. Release

Customer agrees that, except for the payment of Incentive payments due and payable hereunder, as described in Paragraphs 1 and 5, the Company shall have no liability whatsoever to Customer, whether in contract, tort, tariff, or otherwise, in connection with this Agreement or the Company's performance hereunder, including, but not limited to, any action or inaction relating to the ISO, such as bidding or the submittal of Customer usage data and account number. Customer hereby releases the Company from any and all such liability.

In Witness Whereof, the Company and the Customer hereto have caused this Agreement to be executed as of the day and year first above written.

(the Customer)

Authorized By: _____

Title: _____

As a Representative of: _____

Date: _____

Niagara Mohawk Power Corporation
(the Company)

Authorized By: _____

Title: _____

As a Representative of: _____

Niagara Mohawk Power Corporation

Date: _____

**NIAGARA MOHAWK POWER CORPORATION
CUSTOMER SERVICE AGREEMENT
FORM "M"
FOR SERVICE CLASSIFICATION NO. ____
AMENDMENT NO. _____**

THIS AMENDMENT NO. _____, effective _____ ("AMENDMENT NO. ____") by and between **Niagara Mohawk Power Corporation** ("Company") and _____ ("Customer"), witnesseth that:

WHEREAS, in an S.C. No. _____, Agreement dated _____ ("the Agreement"), the Customer contracted to purchase its full requirements for electric service at its facility at _____, ("the Premises") during the period from _____, to _____; and

WHEREAS, in a FORM H, SC-11 Agreement Extension, effective _____ ("Amendment No. ____"), the Customer contracted to extend its SC-11 Agreement, during the period from _____ through and until _____; and

WHEREAS, the Customer has received Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 - Electricity Service Classification No. _____ and the Agreement prior to _____; and

WHEREAS, this Agreement applies to the following P.S.C. 220 – Electricity Service Classification No. _____ Company account number _____; and

WHEREAS, in the absence of the Agreement, the Customer would receive service from the Company under the terms of the Company's P.S.C. 220 – Service Classification No. _____ ("hereinafter the Parent Service Classification"); and

WHEREAS, pursuant to terms of the Settlement in P.S.C. Case No. 01-M-0075, the Customer has requested and the Company has agreed to provide the Customer with electric service under the terms of the Parent Service Classification.

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and the Customer agree as follows:

1. The Company and Customer have agreed to amend the Pricing Provisions of the Agreement to reflect the Customer's options under the Tariff. The revised pricing provisions are provided for in Attachment __, which Attachment __ is incorporated into this Agreement as if fully setout herein. The revised pricing parameters of Attachment __ shall be those which apply to customers served under S.C. No. _____ shall become effective on _____ and remain in effect through _____. Except as expressly provided herein, all other terms of the Agreement shall remain in full force and effect.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 347
REVISION: 0
SUPERSEDING REVISION:

**NIAGARA MOHAWK POWER CORPORATION
CUSTOMER SERVICE AGREEMENT
FORM "M" (Continued)**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

"Customer"

Authorized By: _____ / _____
(Signature) (Print Name)

Title: _____

As a representative of: _____

Date: _____

NIAGARA MOHAWK POWER CORPORATION
"Company"

Authorized By: _____ / _____
(Signature) (Print Name)

Title: _____

As a representative of: **Niagara Mohawk Power Corporation**

Date: _____

**NIAGARA MOHAWK POWER CORPORATION
CUSTOMER SERVICE AGREEMENT
FORM "M" (Continued)**

Attachment

Unbundled Pricing Parameters – Effective _____

Subject to the provision of Section 1 of this Attachment __, prices for electric service for the remaining term of this Agreement shall be established according to the pricing provisions of the Parent Service Classification, __ specific to the voltage delivery level at which the Customer receives Electricity Supply Service.

1. MINIMUM DELIVERY CHARGE

Notwithstanding any other provision of this Agreement, the Customer's total charge for electric service (excluding Electricity Supply Service) provided under this Agreement in any Billing Period shall not fall below the Minimum Delivery Charge as established by the following formula:

$$\text{Minimum Delivery Charge} = \text{kW}_{\text{MAX}} * (\text{DD}_{\text{CL,V}} + \text{CTC}_{\text{CL,V}})$$

Where:

kW_{MAX}	=	The maximum demand established on the Company's delivery system in the 24 months prior to the execution of this Form M Agreement. The Customer and Company agree that the value of kW_{MAX} shall equal _____.
$\text{DD}_{\text{CL,V}}$	=	The distribution delivery rate per kW, applicable to Customer's otherwise applicable service classification, specific to the Customer's voltage delivery level.
$\text{CTC}_{\text{CL,V}}$	=	The competitive transition rate per kW, applicable to Customer's otherwise applicable service classification, specific to the Customer's voltage delivery level.
CL	=	The Customer's otherwise applicable service classification (e.g., S.C. No. 2D, S.C. No. 3, S.C. No. 3A).
V	=	The voltage delivery level (as defined in the Tariff) at which the Customer receives Electricity Supply Service.

**SERVICE CLASSIFICATION NO. 1
RESIDENTIAL AND FARM SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

Single phase residential purposes, in an individual residence; and in an individual flat or individual apartment in a multiple family dwelling; residential purposes in a multiple occupancy building where not more than two individual flats, apartments or divided living spaces are available; residential purposes in a rooming house where not more than four rooms are available for rent; single or three phase service to any premise owned or leased by any not-for-profit corporation association or body organized and conducted in good faith for religious purposes and used primarily or principally in connection with such religious purposes as required by Public Service Law, Section 76 and Special Provision I of this Service Classification; single phase farm service when supplied through the farm residence meter; for single or three phase service primarily and principally in connection with a community residence as defined in the Mental Hygiene Law that are operated by a not-for-profit corporation and are either (1) a "supervised living facility" (as defined in the Mental Hygiene Law) providing 24-hour per day on-site supervision and living accommodations for 14 or fewer residents; or (2) a "supportive living facility" (as defined in the Mental Hygiene Law) providing supervised independent living without 24-hour per day on-site supervision; for posts and halls, owned or leased by a not-for-profit corporation that is a veterans' organization. Available throughout the Company's service area from existing circuits of adequate capacity and appropriate character. Written application may be required upon Company's prescribed forms.

CHARACTER OF SERVICE:

Continuous. Single or three phase alternating current as specified in the "Applicable To Use of Service For" provision, above, approximately 60 Hz, at one standard secondary voltage approximately 120 volts 2 wire, 120/240 volts 3 wire, or 120/208 volts 3 wire single phase and approximately 120 volts 3 wire, 240 volts 3 wire, 120/208 volts 4 wire or 277/480 volts 4 wire three phase.

Religious: Continuous. Single or three phase alternating current as specified in the "Applicable To Use of Service For" provision, above, approximately 60 Hz.

STANDARD TARIFF CHARGES: The charges presented below are applicable to customers subject to either Market Rate Service or Standard Rate Service as described in Rule 48 of this Schedule.

Distribution Delivery Charges for all Load Zones:

Basic Service Charge	\$16.21
Income Eligible Basic Service Credit	\$ 5.00
Per kWh	\$.04149

Competitive Transition Charges, per kWh for all Load Zones: \$.00697

Company Supplied Electricity Supply Service Charges, per kWh

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost

MONTHLY MINIMUM CHARGE:

\$16.21

SERVICE CLASSIFICATION NO. 1 (Continued)

ADJUSTMENTS TO STANDARD TARIFF RATES AND CHARGES:

Customers served under this service classification shall be subject to adjustments and applied in the manner described in each respective Rule.

Rule 29 - Delivery Charge Adjustment
Rule 40 - New York Power Authority Hydropower Reconciliation Benefit Mechanism
Rule 41 - System Benefits Charge
Rule 42 - Customer Service Backout Credit Mechanism
Rule 43 - Transmission Revenue Adjustment
Rule 49 - Renewable Portfolio Surcharge

INCREASE IN RATE AND CHARGES:

The charges under this Service Classification, including minimum charge, will be increased by a tax factor pursuant to Rule 32.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge pursuant to Rule 26.4.

TERM:

One month and continuously from month to month thereafter until permanently terminated on three days notice to Company, or one year and thereafter until terminated as provided in the written application for service.

SPECIAL PROVISIONS:

A. Service under this Service Classification is primarily intended for residential customers residing in individual dwelling units.

1. When minor professional or commercial operations are conducted within the individual dwelling unit, service under this Service Classification will be permitted providing all of the following three qualifications are met:

- a. The minor professional or commercial operations must be exclusively by the residential customer residing at the individual dwelling unit served. Use of the professional or commercial area by another professional person or persons in addition to the resident disqualifies the customer to receive Electric Service or Electricity Supply Service under this Service Classification.
- b. The area used by the minor professional or commercial operations does not exceed 50 percent of the total cubical content of the individual dwelling unit.
- c. Not more than two (2) rooms of any size are contained within the 50 percent cubical content of the area used for professional or commercial operations.

Residential customers having professional or commercial operations within an individual dwelling unit that do not meet all of the three qualifications must take service under the General Service Classification. Such customers, however, can elect to separate the electrical use between the residential area and the area used for professional or commercial operations and to have the Company set an additional meter. The meter used to measure the electrical use in the professional or commercial operations area will be billed under the General Service Classification.

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

- B. Customers, in good standing, have the option with the consent of the Company of paying for service under the Company's Monthly Budget Plan. The plan covers up to twelve months billing and can be started at the customer's option either with the next bill or as of the last bill. If the customer starts budget billing as of the last bill, the last bill is canceled and rebilled under budget billing. The initial budget amount is based on an average of the preceding twelve months of actual and estimated energy related charges.

Monthly budget amounts are reviewed on a ongoing basis and may be changed, as needed, to produce level budget billings through the end of the budget period. The difference between the actual and billed charges will be maintained as a deferred balance. If the Customer decides to end involvement with the program or end service with the Company, the deferred balance will be settled or rolled over for all customers in the twelfth month.

Budget bills are due and payable. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 26.4. If the customer fails to pay the monthly Budget Amount or upon discontinuance of service, the Monthly Budget Payment Plan will be canceled and any deficiency shall be due and payable at once, including any late payment charges assessed. Any overpayment shall be credited to the customer's account. The customer can cancel the plan at any time effective with his next regularly scheduled billing.

The Company will make available a budget brochure explaining how the Monthly Budget Payment Plan works.

- C. Customers converting to electric space heating without complying with the Company's minimum insulation requirements, Rule 3.1.3.3, or found in non-compliance with the appropriate minimum insulation requirements for new dwellings contained in Rule 3.1.3.2 will be required to pay a surcharge of 25 percent of their total bill for electric service. Refer to Rule 3.1.3.2.5 or 3.1.3.3.4, Penalties for Non-Compliance, for the application of the surcharge.
- D. Quarterly Payment Plan - Effective November 29, 1985, as required by Public Service Law S38, the Company shall offer any residential customer, 62 years of age or older, a plan for payment on a quarterly basis of charges for service rendered provided that such customer's average annual billing is not more than \$150.
- E. Residential status will not begin earlier than the October, 1991, meter reading for customers eligible for service under this service classification based on the following applicability clause:
- "residential purposes in a multiple occupancy building where not more than two individual flats, apartments or divided living spaces are available".

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

- F. Net Energy Billing for Customers Operating Solar Electric Generating Equipment – In accordance with Public Service Law, Section 66-j, customers receiving their electric power requirements from the Company may deliver electricity to the Company generated by Solar Electric Generating Equipment and the Company shall offset such electricity received from the Customer against electricity supplied by the Company to the Customer at other times pursuant to Rule No. 36 of this tariff.

- G. The Income Eligible Basic Service Credit under this service Classification is available to customers who have been approved for a federal Home Energy Assistance Program (HEAP) grant. Enrollment will be limited to the funds available and may include limitations on availability such as a first-come, first-served policy. Once eligible it is the customer's responsibility to remain certified for HEAP in order to continue receiving the Income Eligible Basic Service Credit. The Income Eligible Basic Service Credit is transferable with the customer to other premises as long as the customer remains eligible for the Credit. The availability of the Low Income Basic Service Credit is dependent upon the terms and conditions, and implementation plans associated with Low Income Services as defined in the Public Service Commission approved Joint Proposal in PSC Case No. 01-M-0075 or any successor amendments.

- H. On-Site Generation Special Provision - Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) installations on the Company's Form G, Application For Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed the OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50.

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (Cont.)

- I. The residential rate is applicable to use of service for use predominantly or primarily in connection with religious purposes by corporations or associations organized and conducted in good faith for religious purposes, in accordance with Company policies and procedures.

(1) RELIGIOUS PURPOSE

The organization shall have a fundamental religious purpose and the property shall be used primarily in support of its purpose.

(2) EVIDENCE OF ELIGIBILITY

Qualifying religious organizations are eligible for the residential rate. In order to be a qualified religious organization, the organization shall submit evidence of eligibility, which may include any of the following: copies of articles of incorporation as religious corporations, charters, letters from recognized religious organizations, eligibility designations from the Internal Revenue Service and other documentation of the religious nature of the organization.

The Company shall not require proof of tax-exempt status as a condition for a religious organization or body to receive the rates under this service classification, although a tax-exempt certificate can be supplied and accepted as supplement to the customer's proof of eligibility. A Company representative(s) interview with the religious organization representative(s) or observations of the organization's activities may also supplement proof of eligibility.

(3) RELIGIOUS AND NON-RELIGIOUS USE

Electricity will not be supplied under this Service Classification unless the predominant use of the premises is to carry out religious purposes and or/is reasonably incidental to the religious purpose.

Where religious activities and/or activities which are reasonably incidental to the religious purpose take place in the same metered facility with, and share the same space with activities that are neither religious nor reasonably incidental to religious purposes, a predominant use calculation may be employed to determine whether the predominant use of this space is for religious (or reasonably incidental) purposes, as opposed to other purposes, and to determine the applicability of this rate.

- i. Where non-religious uses (meaning use which is neither for religious nor for reasonably incidental purposes) are found to predominate, and such uses can be physically segregated and separately metered and billed from the religious use, the portion of the premises involving religious uses will, provided the customer elects to make the necessary wiring changes that are the customer's responsibility, receive service under this Service Classification and the portion of the premises involving non-religious uses will receive service under the appropriate non-residential Service Classification.

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (Cont.)

- ii. Where non-religious uses predominate and such uses cannot be physically segregated and separately metered and billed, the entire premise will receive service under the appropriate non-residential Service Classification.

(4) NON-QUALIFYING USES

Certain uses by religious organizations are typically not eligible for the residential rate, including but not limited to:

- 1. Colleges or Universities
- 2. Nursing Schools or Medical Schools
- 3. Hospitals
- 4. Nursing and Adult Homes
- 5. Recreational Facilities, Health Clubs or Physical Fitness Facilities
- 6. Publication of Religious Literature and Supplies
- 7. Bookstores
- 8. Stores for Sale of Religious Articles or Sacramental Wines
- 9. Lodging Homes or Quarters, unless otherwise applicable under SC-1
- 10. Radio or Television Stations
- 11. Clothing Stores, Thrift Stores or Donation Centers
- 12. Separately Metered Child Care Facilities

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS (CONT.)

- J. Net Energy Billing for Certain Customers Operating Farm Waste Electric Generating Equipment - Customers who own or operate farm waste electric generating equipment located and used at his or her "Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

- K. Net Energy Billing for Certain Customers Operating Wind Electric Generating Equipment – Residential and/or Farm Service Customers, who own or operate one or more wind electric generators located and used at his or her residence or for a farm service customer on land used in agricultural production, as defined in subdivision four of Section 301 of the Agriculture and Markets Law and is also the location of the customer's primary residence, may deliver electricity to the Company generated by the wind electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 37 of this Tariff.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 356
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 1-A
RESIDENTIAL AND FARM SERVICE - OPTIONAL LARGE TIME OF USE RATE

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 357
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 1-B
RESIDENTIAL AND FARM SERVICE - OPTIONAL LARGE TIME OF USE RATE**

CANCELED

**SERVICE CLASSIFICATION NO. 1-C
RESIDENTIAL AND FARM SERVICE - OPTIONAL LARGE TIME OF USE RATE**

APPLICABLE TO USE OF SERVICE FOR:

Single or three phase residential purposes at the option of customers who would otherwise be served under Service Classification No. 1 of this Schedule. For use to 1) an individual residence, a flat or apartment in a multiple family dwelling; 2) residential purposes in a multiple occupancy building where not more than two individual flats, apartments or divided living spaces are available; 3) residential purposes in a roominghouse where not more than four rooms are available for rent; 4) farm service when supplied through the farm residence meter; 5) single or three phase service to any premise owned or leased by any not-for-profit corporation association or body organized and conducted in good faith for religious purposes and used primarily or principally in connection with such religious purposes as required by Public Service Law, Section 76 and Special Provision E of this Service Classification; 6) use primarily and principally in connection with a community residence as defined in the Mental Hygiene Law that are operated by a not-for-profit corporation and are either (1) a "supervised living facility" (as defined in the Mental Hygiene Law) providing 24-hour per day on-site supervision and living accommodations for 14 or fewer residents; or (b) a "supportive living facility" (as defined in the Mental Hygiene Law) providing supervised independent living without 24-hour per day on-site supervision; for posts and halls, owned or leased by a not-for-profit corporation that is a veterans' organization. Available throughout the Company's service area from existing circuits of adequate capacity and appropriate character. Subject to the availability of suitable metering equipment and continuous Company access to such equipment, including bimonthly access to the meter to record usage. Written application upon the Company's prescribed forms may be required.

CHARACTER OF SERVICE:

Continuous. Single or three phase alternating current as specified in the "APPLICABLE TO USE OF SERVICE FOR" provision above, approximately 60 Hz, at one standard secondary voltage ranging from 120 through 480 volts. Company will indicate the voltage and type of service available and appropriate for the customer's requirements.

RATE PERIODS:

Winter (December, January, February)

On Peak:	5:00 p.m. to 8:00 p.m., weekdays
Shoulder Peak:	9:00 a.m. to 5:00 p.m., weekdays
Off Peak:	8:00 p.m. to 9:00 a.m., weekdays
	All hours, weekends

Christmas and New Year's are defined as off peak.

Summer (June, July, August)

On Peak:	11:00 a.m. to 5:00 p.m., weekdays
Shoulder Peak:	8:00 a.m., to 11:00 a.m. and 5:00 p.m., to 8:00 p.m., weekdays
Off Peak:	8:00 p.m. to 8:00 a.m., weekdays
	All hours, weekends

Independence Day is defined as off-peak.

Off-Season (March, April, May, September, October, November)

Off-Season:	All hours of all days
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PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 359
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 1-C (Continued)

STANDARD TARIFF CHARGES:

Distribution Delivery Charges for all Load Zones:

Basic Service Charge, for all Load Zones:	\$30.00
Income Eligible Basic Service Credit	\$ 5.00
Per kWh:	\$.03867

Competitive Transition Charges, per kWh for all Load Zones: \$.00000

Company Supplied Electricity Supply Service Charges, per kWh:

Company supplied Electricity Supply Service ("ESS") charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Service. Effective September 1, 2006, ESS charges shall be calculated as the daily class load shaped thirty-day weighted average market price for each Rate Period defined above, except that the Summer Off-Peak, Winter Off-Peak and/or Off-Season Rate Periods shall be considered one Rate Period for this purpose.

MONTHLY MINIMUM CHARGE:

\$30.00

ADJUSTMENTS TO STANDARD CHARGES:

Customers served under this service classification shall be subject to adjustments and applied in the manners described in each respective Rule.

Rule 29 -Delivery Charge Adjustment

Rule 40 -New York Power Authority Hydropower Reconciliation Benefit Mechanism

Rule 41 -System Benefits Charge

Rule 42 -Customer Service Backout Credit

Rule 43 -Transmission Revenue Adjustment

Rule 49 -Renewable Portfolio Surcharge

INCREASE IN CHARGES:

The charges under this Service Classification, including the minimum charge, will be increased by a tax factor pursuant to Rule 32.

TERM:

One year from commencement of service under Service Classification No. 1-C and continuously from month to month thereafter until canceled upon written notice to the Company.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge pursuant to Rule 26.4.

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS:

- A. Service under this Service Classification is primarily intended for residential customers residing in individual dwelling units.
1. When minor professional or commercial operations are conducted within the individual dwelling units, service under this Service Classification will be permitted providing all of the following three qualifications are met:
- a. The minor professional or commercial operations must be exclusively by the residential customer residing at the individual dwelling unit served. Use of the professional or commercial area by another professional person or persons in addition to the resident disqualifies the customer to receive Electric Service or Electricity Supply Service under this Service Classification.
 - b. The area used by the minor professional or commercial operations does not exceed 50 percent of the total cubical content of the individual dwelling unit.
 - c. Not more than two (2) rooms of any size are contained within the 50 percent cubical content of the area used for professional or commercial operations.

Residential customers having professional or commercial operations within an individual dwelling unit that do not meet all of the three qualifications must take service under the General Service Classification. Such customers however, can elect to separate the electrical use between the residential area and the area used for professional or commercial operations and to have the Company set an additional meter. The meter used to measure the electrical use in the professional or commercial operations area will be billed under the General Service Classification.

Residential status will not begin earlier than the October, 1991, meter reading for customers eligible for service under this service classification based on the following applicability clause:

"residential purposes in a multiple occupancy building where not more than two individual flats, apartments or divided living spaces are available".

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS: (Cont.)

- B. Customers, in good standing, have the option, with the consent of the Company, of paying for service under the Company's Monthly Budget Plan. The plan covers up to twelve months billing and can be started at the customer's option either with the next bill or as of the last bill. If the customer starts budget billing as of the last bill, the last bill is canceled and is rebilled under budget billing. The initial budget amount is based on an average of the preceding twelve months of actual and estimated energy related charges.

Monthly budget amounts are reviewed on an ongoing basis and may be changed, as needed, to produce level budget billings through the end of the budget period. The difference between the actual and billed charges will be maintained as a deferred balance. If the Customer decides to end involvement with the program or end service with the Company, the deferred balance will be settled or rolled over for all customers in the twelfth month.

Budget bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 26.4. If the customer fails to pay the monthly Budget Amount of upon discontinuance of service, the Monthly Budget Payment Plan will be canceled and any deficiency shall be due and payable at once, including any late payment charges assessed. Any overpayment shall be credited to the customer's account. The customer can cancel the plan at any time effective with his next regularly scheduled billing.

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS: (Cont.)

- C. Net Energy Billing for Customers Operating Solar Electric Generating Equipment– In accordance with Public Service Law, Section 66-j, customers receiving their electric power requirements from the Company may deliver electricity to the Company generated by Solar Electric Generating Equipment and the Company shall offset such electricity received from the Customer against electricity supplied by the Company to the Customer at other times pursuant to Rule No. 36 of this tariff.

Time of Use customers have the option of using either a single bi-directional time of use meter or, two time of use meters, the second meter at the customer's expense, for the purpose of recording peak and off-peak on-site kWh production. An existing time of use net metering customers taking service before May 29, 2005 may opt for the above metering options and will be responsible for the incremental costs incurred by the Company for these metering options. Customers choosing the option of time of use meters must comply with the provisions of Rule No. 25.1.2 of this Tariff.

If the time of use customer does not choose the above two options, customer may install one TOU meter that measures the customer's purchases, and the second a non-TOU that measures the output of the solar electric generating system. In this instance the output of the PV system will be allocated to the time periods percentages below.

1. Energy supplied to the Company by the Customer operating a solar electric generating system shall be allocated to the time-of-use rating periods by multiplying such energy by the following allocation factors.

LOAD ZONES A and B - Solar Electric Generating System Energy as % of Total by Month

Month	On-Peak	Shoulder-Peak	Off-Peak	Total
January	0.00	64.19	35.81	100.00
February	0.48	65.41	34.12	100.00
March	0.00	0.00	100.00	100.00
April	0.00	0.00	100.00	100.00
May	0.00	0.00	100.00	100.00
June	47.67	23.46	28.87	100.00
July	46.32	22.60	31.08	100.00
August	46.37	20.15	33.48	100.00
September	0.00	0.00	100.00	100.00
October	0.00	0.00	100.00	100.00
November	0.00	0.00	100.00	100.00
December	0.00	67.99	32.01	100.00

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS (CONT.)

C. Net Energy Billing for Certain Residential Customers Operating Solar Electric Generating Equipment
(Continued)

1. (Continued)

LOAD ZONE C -Solar Electric Generating System Energy as % of Total by Month

Month	On-Peak	Shoulder-Peak	Off-Peak	Total
January	0.00	63.56	36.44	100.00
February	0.20	64.91	34.89	100.00
March	0.00	0.00	100.00	100.00
April	0.00	0.00	100.00	100.00
May	0.00	0.00	100.00	100.00
June	47.39	23.40	29.21	100.00
July	45.96	22.64	31.41	100.00
August	46.03	20.25	33.71	100.00
September	0.00	0.00	100.00	100.00
October	0.00	0.00	100.00	100.00
November	0.00	0.00	100.00	100.00
December	0.00	67.36	32.64	100.00

SERVICE CLASSIFICATION NO. 1-C (Continued)

C. Net Energy Billing for Certain Residential Customers Operating Solar Electric Generating Equipment
(Continued)

1. (Continued)

LOAD ZONES D and E -Solar Electric Generating System Energy as % of Total by Month

Month	On-Peak	Shoulder-Peak	Off-Peak	Total
January	0.00	63.31	36.69	100.00
February	0.09	64.71	35.20	100.00
March	0.00	0.00	100.00	100.00
April	0.00	0.00	100.00	100.00
May	0.00	0.00	100.00	100.00
June	47.27	23.38	29.34	100.00
July	45.81	22.65	31.54	100.00
August	45.90	20.30	33.81	100.00
September	0.00	0.00	100.00	100.00
October	0.00	0.00	100.00	100.00
November	0.00	0.00	100.00	100.00
December	0.00	67.10	32.90	100.00

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS (CONT.)

C. Net Energy Billing for Certain Residential Customers Operating Solar Electric Generating Equipment
(Continued)

1. (Continued)

LOAD ZONE F - Solar Electric Generating System Energy as % of Total by Month

Month	On-Peak	Shoulder-Peak	Off-Peak	Total
January	0.00	62.84	37.16	100.00
February	0.08	64.20	35.72	100.00
March	0.00	0.00	100.00	100.00
April	0.00	0.00	100.00	100.00
May	0.00	0.00	100.00	100.00
June	46.99	23.41	29.59	100.00
July	45.49	22.73	31.78	100.00
August	45.56	20.42	34.02	100.00
September	0.00	0.00	100.00	100.00
October	0.00	0.00	100.00	100.00
November	0.00	0.00	100.00	100.00
December	0.00	66.58	33.42	100.00

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS (CONT.)

- D. The Income Eligible Basic Service Credit under this service Classification is available to customers who have been approved for a federal Home Energy Assistance Program (HEAP) grant. Enrollment will be limited to the funds available and may include limitations on availability such as a first-come, first-served policy. Once eligible it is the customer's responsibility to remain certified for HEAP in order to continue receiving the Income Eligible Basic Service Credit. The Income Eligible Basic Service Credit is transferable with the customer to other premises as long as the customer remains eligible for the Credit. The availability of the Low Income Basic Service Credit is dependent upon the terms and conditions, and implementation plans associated with Low Income Services as defined in the Public Service Commission approved Joint Proposal in PSC Case No. 01-M-0075 or any successor amendments.
- E. The residential rate is applicable to use of service for use predominantly or primarily in connection with religious purposes by corporations or associations organized and conducted in good faith for religious purposes, in accordance with Company policies and procedures.

(1) RELIGIOUS PURPOSE

The organization shall have a fundamental religious purpose and the property shall be used primarily in support of its purpose.

(2) EVIDENCE OF ELIGIBILITY

Qualifying religious organizations are eligible for the residential rate. In order to be a qualified religious organization, the organization shall submit evidence of eligibility, which may include any of the following: copies of articles of incorporation as religious corporations, charters, letters from recognized religious organizations, eligibility designations from the Internal Revenue Service and other documentation of the religious nature of the organization.

The Company shall not require proof of tax-exempt status as a condition for a religious organization or body to receive the rates under this service classification, although a tax-exempt certificate can be supplied and accepted as supplement to the customer's proof of eligibility. A Company representative(s) interview with the religious organization representative(s) or observations of the organization's activities may also supplement proof of eligibility.

(3) RELIGIOUS AND NON-RELIGIOUS USE

Electricity will not be supplied under this Service Classification unless the predominant use of the premises is to carry out religious purposes and or/is reasonably incidental to the religious purpose.

Where religious activities and/or activities which are reasonably incidental to the religious purpose take place in the same metered facility with, and share the same space with activities that are neither religious nor reasonably incidental to religious purposes, a predominant use calculation may be employed to determine whether the predominant use of this space is for religious (or reasonably incidental) purposes, as opposed to other purposes, and to determine the applicability of this rate.

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS (CONT.)

- i. Where non-religious uses (meaning use which is neither for religious nor for reasonably incidental purposes) are found to predominate, and such uses can be physically segregated and separately metered and billed from the religious use, the portion of the premises involving religious uses will, provided the customer elects to make the necessary wiring changes that are the customer's responsibility, receive service under this Service Classification and the portion of the premises involving non-religious uses will receive service under the appropriate non-residential Service Classification.
- ii. Where non-religious uses predominate and such uses cannot be physically segregated and separately metered and billed, the entire premise will receive service under the appropriate non-residential Service Classification.

(4) NON-QUALIFYING USES

Certain uses by religious organizations are typically not eligible for the residential rate, including but not limited to:

1. Colleges or Universities
2. Nursing Schools or Medical Schools
3. Hospitals
4. Nursing and Adult Homes
5. Recreational Facilities, Health Clubs or Physical Fitness Facilities
6. Publication of Religious Literature and Supplies
7. Bookstores
8. Stores for Sale of Religious Articles or Sacramental Wines
9. Lodging Homes or Quarters, unless otherwise applicable under SC-1
10. Radio or Television Stations
11. Clothing Stores, Thrift Stores or Donation Centers
12. Separately Metered Child Care Facilities

SERVICE CLASSIFICATION NO. 1-C (Continued)

SPECIAL PROVISIONS (Continued)

F. On-Site Generation Special Provision

Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) installations on the Company's Form G, Application For Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed the OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50

G. Net Energy Billing for Certain Customers Operating Farm Waste Electric Generating Equipment -

Customers who own or operate farm waste electric generating equipment located and used at his or her "Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

H. Net Energy Billing for Certain Customers Operating Wind Electric Generating Equipment -

Residential and/or Farm Service Customers, who own or operate one or more wind electric generators located and used at his or her residence or for a farm service customer on land used in agricultural production, as defined in subdivision four of Section 301 of the Agriculture and Markets Law and is also the location of the customer's primary residence, may deliver electricity to the Company generated by the wind electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 37 of this Tariff.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 369
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 1H
RESIDENTIAL AND FARM SERVICE OPTIONAL RATE**

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 370
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 2
SMALL GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

All purposes required by customer on the premises for which no other service classification is specifically provided and where such entire requirements are delivered at one point and singly metered at the delivery voltage (except as provided in Special Provision C). A customer once served under this service classification shall remain on this service classification until the monthly measured demand exceeds 100 kW for twelve consecutive months following the initial term of service, except as provided in Special Provision I, whereupon service may be taken under another appropriate service classification. Available throughout the Company's service area from existing circuits of adequate capacity and appropriate character.

APPLICATION FOR SERVICE

Written application on the Company's prescribed Form A or Form C may be required, however, failure to execute a Form A or Form C Contract does not exempt the customer from paying all rates and charges provided herein. All riders, whenever applicable, shall be attached to the required form. When accepted by the Company, such application shall constitute an agreement for service hereunder.

CHARACTER OF SERVICE:

Continuous. Single or three phase alternating current, approximately 60 Hz, at one standard secondary voltage ranging from 120 to 480 volts or at a higher standard voltage, if available and requested by customer. Company will indicate the voltage and type of service available and appropriate for the customer's requirements.

The rates and charges presented below are applicable to customers subject to either Market Rate Service or Standard Rate Service as described in Rule 48 of this Schedule.

STANDARD TARIFF CHARGES FOR UNMETERED DEMAND SERVICE:

Distribution Delivery Rates and Charges for all Load Zones:

Basic Service Charge	\$21.02
per kWh	\$.03768

Competitive Transition Charges, per kWh for all Load Zones: \$.02401

Company supplied Electricity Supply Service Charges, per kWh:

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

MONTHLY MINIMUM CHARGE:

\$21.02

SERVICE CLASSIFICATION NO. 2 (Continued)

STANDARD TARIFF CHARGES FOR METERED DEMAND SERVICE:

Distribution Delivery Rates and Charges for all Load Zones:

Basic Service Charge	\$52.52
Distribution Delivery Charges,	
per kW:	\$10.10
per kWh:	\$ 0.00118

Competitive Transition Charges, per kWh for all Load Zones: \$.01630

Company supplied Electricity Supply Service Charges, per kWh:

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

MONTHLY MINIMUM CHARGE:

\$62.62

ADJUSTMENTS TO STANDARD TARIFF CHARGES:

Customers served under this service classification shall be subject to adjustments and applied in the manner described in each respective Rule.

Rule 29 -Delivery Charge Adjustment

Rule 41 -System Benefits Charge

Rule 42 -Customer Service Backout Credit

Rule 43 -Transmission Revenue Adjustment

Rule 49 -Renewable Portfolio Surcharge

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including minimum charge, will be increased by a tax factor pursuant to Rule 32.

DETERMINATION OF DEMAND:

- A. A demand meter shall be installed whenever the monthly energy consumption for any four consecutive months of a customer exceeds 2000 kWh per month or whenever the connected load of customer indicates that the energy consumption will exceed 2000 kWh per month. A demand meter, once installed, shall not be removed until after the energy consumption has been less than 2000 kWh per month for twelve consecutive months, which requirement may not be avoided by temporarily terminating service.
- B. The Distribution Delivery demand and Competitive Transition Charge demand shall be the highest average kW measured in a fifteen minute interval during the billing period, but not less than one kW nor less than the demand contracted for.

SERVICE CLASSIFICATION NO. 2 (Continued)

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 26.4.

TERM:

One month and continuously from month to month thereafter until permanently terminated on three days notice to Company, or one year and thereafter until terminated as provided in the written application for service.

SPECIAL PROVISIONS:

- A. Where total load and operating schedule is pre-determined as for signs and billboards, the kWh use may be computed and not measured.
- B. RESERVED FOR FUTURE USE
- C. The meter readings of one single phase and one three phase three wire supply for service to a single customer at a single location may be combined.
- D. Whenever taking of service is measured at secondary voltage metered energy will be billed without adjustment, and whenever taking of service is measured at primary voltage, metered energy will be decreased by three percent. Whenever Company does not have to supply and maintain a transformer or transformers for such service there shall be a discount of ninety cents per kW per month for each kW of billed demand, applicable to the demand charge stated under RATE APPLICABLE TO METERED DEMAND SERVICE.
- E. RESERVED FOR FUTURE USE
- F. Customers who meet certain eligibility requirements have the option of paying for service under the Company's voluntary Monthly Budget Payment Plan.
 - 1. Obligation to offer - At least once in each 12 month period, the Company will provide a written notice offering its levelized payment plan, which is designed to reduce fluctuations in payments caused by seasonal patterns of consumption, to all eligible customers.

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (Continued)

F. (Continued)

2. Eligibility - The Company is required to offer a budget payment plan to all customers except:
 - a. Customers who have less than 12 months of billing history at the premises;
 - b. Seasonal, short-term or temporary customers;
 - c. Customers who have arrears;
 - d. Interruptible, temperature-controlled, or dual-fuel customers;
 - e. Customers who, for any reason, ceased being billed on a previous budget plan before the end of the plan year in the past 24 months; or
 - f. Customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty.
3. Company Procedure - The Company has established a written procedure and billing system to implement these rules, which procedure:
 - a. Sets forth the method for establishing an eligible customer's monthly budget payment amount which is based on the sum of historic annual charges plus the customer's deferred balance divided by twelve (12).
 - b. Sets forth the method for comparing the actual cost of service rendered, as determined by actual meter readings, to the budget amount, and for adjusting upwards or downwards the budget payment amount to minimize the adjustment required on the final settlement bill. The budget payment amount can be further adjusted to reflect known or anticipated changes.
 - c. Provides that during the month of the scheduled settlement, the difference between the cost of service actually used and the amount paid during the plan period (deferred balance) will be rolled over into the next plan year or will be settled at the customer's option.

SERVICE CLASSIFICATION NO. 2 (continued)

SPECIAL PROVISIONS: (continued)

F. (continued)

4. Terms of Payment - Budget bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent 1 1/2% pursuant to Rule 26.4.
5. Removal from Budget Plan -
 - a. A customer may request that the Company remove the customer from the budget plan and reinstate regular billing at any time, in which case the Company may immediately render a final budget settlement bill, and shall do so no later than by the time of the next cycle bill that is rendered more than 10 business days after the request.
 - b. The Company may remove a customer from the budget plan if the customer becomes ineligible under Rule F.2.
 - c. If the customer becomes delinquent for the first time in any twelve month period, the Company will provide the customer with the opportunity to become current in payment prior to cancellation from the budget plan. The second, or subsequent, time delinquency occurs in any twelve month period, the Company shall cancel the budget plan and any deficiency shall be due and payable at once, including any late payment charges assessed.
 - d. If the customer has an active payment arrangement with the Company and defaults on the payment arrangement, both the budget and payment arrangement will be automatically canceled on the first month of the delinquency.

G. Submetering may be available under certain conditions as contained in Rule 8 of the General Information Section of this Schedule.

H. Customers supplying electric service to end-use residential customers in multi-family structures that convert to electric heating without complying with the Company's minimum insulation requirements, Rule 3.1.2.3, or found in non-compliance with the appropriate minimum insulation requirements for new dwelling contained in Rule 3, will be required to pay a surcharge of 25 percent of their total bill for electric service. Refer to Rule 3.1.2.2.5 or 3.1.2.3.4, Penalties for Non-Compliance, for the application of the surcharge.

I. Customers whose measured demand exceeds 100 kW for twelve consecutive months will remain on this service classification only if their average monthly load characteristics (sum of twelve monthly metered energies divided by the sum of the twelve monthly metered demands) indicate less than 150 hours use.

SERVICE CLASSIFICATION NO. 2 (continued)

SPECIAL PROVISIONS: (continued)

J. VETERANS ORGANIZATION OPTIONAL TIME-OF-USE RATES Posts and halls, owned by a not-for-profit corporation that is a veterans' organization, and who are eligible to take service under the provisions of this service classification shall further be eligible to pay for charges on the basis of the time-of-use (TOU) rates specified within this special provision J as pursuant to **Public Service Law 66, Subdivision 27**.

(1) RATING PERIODS for all Special Provision J TOU service shall be defined as follows:

Winter (December, January & February)

On-Peak: 5:00 p.m. to 8:00 p.m., weekdays
Shoulder-Peak: 9:00 a.m. to 5:00 p.m., weekdays
Off-Peak: 8:00 p.m. to 9:00 a.m., weekdays and
all hours on weekends.

Note: Christmas Day and New Year's Day are defined as off-peak.

Summer (June, July and August)

On-Peak: 11:00 a.m. to 5:00 p.m., weekdays
Shoulder-Peak: 8:00 a.m. to 11:00 a.m., weekdays and
5:00 p.m. to 8:00 p.m., weekdays
Off-Peak: 8:00 p.m. to 8:00 a.m., weekdays and
all hours on weekends.

Note: Independence Day is defined as off-peak.

Off-Season (March, April, May, September, October & November)

Off-Season: All hours of all days.

The rates and charges presented below are applicable to customers subject to either Market Rate Service or Standard Rate Service as described in Rule 48 of this Schedule.

(2) STANDARD TARIFF CHARGES FOR UNMETERED DEMAND, Special Provision J, TOU service are as follows:

Distribution Delivery Rates and Charges for all Load Zones:

Basic Service Charge	\$ 10.95
For all on-peak kWh	\$.10599
For all shoulder-peak kWh:	\$.06637
For all off-peak kWh:	\$.03699
For all off-season kWh:	\$.03699

Competitive Transition Charges, per kWh for all Load Zones:

For all On-Peak kWh	\$0.00000
For all Shoulder-Peak kWh	0.00000
For all Off-Peak kWh	0.00000
For all Off-Season kWh	0.00000

Company supplied Electricity Supply Service Charges, per kWh:

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

SERVICE CLASSIFICATION NO. 2 (continued)

SPECIAL PROVISIONS: (continued)

- (3) **STANDARD TARIFF CHARGES FOR METERED-DEMAND**, Special Provision J, TOU service are as follows:

Distribution Delivery Rates and Charges for all Load Zones:

Basic Service Charge	\$11.08
Distribution Delivery Charges,	
per kW:	\$ 6.85
per kWh:	\$ 0.02739

Competitive Transition Charges, per kWh for all Load Zones:

For all On-Peak	\$0.05900
For all Shoulder-Peak	0.02374
For all Off-Peak	0.00725
For all Off-Season	0.00725

Company supplied Electricity Supply Service Charges, per kWh:

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

- (4) **MONTHLY MINIMUM CHARGE** for both **METERED-DEMAND** and **UNMETERED-DEMAND**, Special Provision J, TOU service is:

\$11.08, Continuously

- (5) **OTHER S.C. NO. 2 PROVISION APPLICABILITY** Time-of-use service taken under Special Provision J remains subject to and is governed by the **Adjustments to Rates and Charges, Increase in Rates and Charges, Determination of Demand, Terms of Payment, Term and preceding Special Provisions C, D, F and G** of Service Classification No. 2 described herein. Time-of-use service taken under Special Provision J will also be subject to mandatory monthly meter reading.

- K. Service taken under this Service Classification No. 2 may be eligible for a limited-duration bill reduction treatment as described in Rule 34 - Economic Development Programs

SERVICE CLASSIFICATION NO. 2 (Continued)

SPECIAL PROVISIONS: (continued)

L. On-Site Generation Special Provision

Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) installations on the Company's Form G, Application For Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed the OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50.

Customers served under SC-2D with a contract demand less than 50 kW shall have the option to remain on the SC-2D standard service classification.

- M. Net Energy Billing for Certain Customers Operating Solar and Farm Waste Electric Generating Equipment** - Customers who own or operate Solar Electric Generating Equipment located and used at its premises or Farm Waste Electric Generating Equipment located and used at his or her "Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the solar or farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

- N. Net Energy Billing for Certain Customers Operating Wind Electric Generating Equipment** – Residential, farm service, and non-residential customers, who own or operate Wind Electric Generating Equipment may deliver electricity to the Company generated by the wind electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 37 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 378
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 3
LARGE GENERAL SERVICE**

APPLICABLE TO USE OF SERVICE FOR:

All purposes required by customer on the premises where such entire requirements are delivered at one Retail Delivery Point and singly metered with respect to the delivery voltage, and when the monthly measured demand has equaled or exceeded 100 kW in each of the previous twelve months or when in the Company's opinion the applicant's demand will equal or exceed 100 kW in twelve consecutive months. A customer once served under this service classification shall remain on this service classification until the monthly measured demand has been less than 100 kW for twelve consecutive months following the initial Term of Service, whereupon service may be taken under the otherwise applicable service classification. Available throughout the Company's service area from existing circuits of adequate capacity and appropriate character.

APPLICATION FOR SERVICE:

The Company may require the customer to submit a written application for service on the Company's prescribed Form C, with all applicable riders attached, however, the customer's failure to submit a Form C application does not exempt the customer from paying all rates and charges, and terms and conditions provided herein. When accepted by the Company, such application shall constitute an agreement for the provision of service hereunder.

CHARACTER OF SERVICE:

Continuous. Single or three phase alternating current, approximately 60 Hz, at one standard secondary voltage, or a primary distribution voltage or a transmission voltage. Company will specify the voltage and type of service available and appropriate for the customer's requirements.

RATE BLOCKS:

Monthly Rates applicable to this service classification are administered on the basis of the number of kWh used and maximum kW of demand in the billing period. Rate Blocks are defined as follows:

Block 1 First 450 hours of maximum demand measured in kW

Block 2 All remaining kWh of usage that are in excess of Block 1

Maximum demand shall be determined as the highest demand measured in the billing period.

SERVICE CLASSIFICATION NO. 3 (Continued)

The rates and charges presented below are applicable to customers subject to either Market Rate Service or Standard Rate Service as described in Rule 48 of this Schedule.

MONTHLY RATE:

	<u>Delivery Voltage</u>			
	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Customer Charge:				
Distribution Delivery	\$260.15	\$436.70	\$554.83	\$599.15
Distribution Delivery (Special Provision L)	\$303.92	\$480.47	\$598.60	\$642.92

Plus Demand Charges:

Distribution Delivery

Charges, Per kW

Minimum Demand Charges: For first 40 or less kW of Demand:

<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$406.40	\$345.60	\$150.00	\$148.40

Additional Demand Charges: Per kW of Demand for all kW of Demand over 40:

<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60kV</u>
\$10.16	\$ 8.64	\$3.75	\$3.71

Competitive Transition

Charges, Per Kw

Minimum Demand Charges: For first 40 or less kW of Demand:

<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$259.60	\$222.40	\$238.00	\$224.00

Additional Demand Charges: Per kW of Demand for all kW of Demand over 40:

<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$6.49	\$5.56	\$5.95	\$5.60

Plus Reactive Demand Charges:

All Delivery Voltages: \$0.85 for each RkVA of lagging reactive demand.

Electricity Supply Service/Competitive Transition Charge (per kWh):

Company Supplied Electricity Supply Service Charges, per kWh:

All customers, except customers subject to Special Provision L herein, will be billed for electricity supply service based on their actual monthly kWh usage. Customers who are not subject to Special Provision L and who take ESS under Rule 46 will be billed at a thirty-day weighted average market price as established in Rule 46 based on the class/voltage level load shape for this service classification excluding those customers subject to Special Provision L .

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SERVICE CLASSIFICATION NO. 3 (Continued)

MONTHLY RATE: (Continued)

Competitive Transition Charges, per kWh for all Load Zones

	<u>First 450 Hours of Max kW Usage</u>	<u>Over 450 Hours of Max kW Usage</u>
Secondary (0-2.2 kV)	\$0.01135	\$0.00384
Primary (2.2-15 kV)	\$0.01351	\$0.00521
Subtransmission (22-50 kV)	\$0.01314	\$0.00530
Transmission (Over 60 kV)	\$0.01211	\$0.00458

SERVICE CLASSIFICATION NO. 3 (Continued)

MONTHLY MINIMUM CHARGE:

The monthly minimum charge is the charge computed under MONTHLY RATE, the demand being determined in accordance with the provisions included under Determination of Demand.

ADJUSTMENTS TO STANDARD RATES AND CHARGES:

Customers served under this service classification shall be subject to adjustments and applied in the manner described in each respective Rule.

Rule 41 - System Benefits Charges
Rule 42 -Customer Service Backout Credit
Rule 43 -Transmission Revenue Adjustment
Rule 49 -Renewable Portfolio Surcharge

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification, including System Benefits Charge and minimum charge, will be increased by a tax factor pursuant to Rule 32.

DETERMINATION OF DEMAND:

- A. The Distribution Delivery and Competitive Transition Charge demand for delivery voltage up to 2.2 kV and 2.2-15 kV shall be based on the highest kW measured over any fifteen minute interval during the month, but not less than one-half of the highest such demand occurring during any of the preceding eleven months, nor less than the demand contracted for.
- B. The Distribution Delivery demand and Competitive Transition Charge demand for delivery voltage 22-50 kV and Over 60 kV, shall be the highest kW measured over any fifteen minute interval during the month, but not less than the demand specified for.
- C. The Reactive Demand shall be based on the highest RkVA of lagging reactive demand measured over a fifteen minute interval during the month less one-third of the highest kW demand measured during the month. The Reactive Demand shall be determined:
 - 1. when a customer's demand has exceeded 500 kW for three consecutive months for service rendered before May 1, 2010; or
 - 2. when customer's demand has exceeded 500 kW in any two of the previous twelve months for service rendered on and after May 1, 2010; or
 - 3. when the connected load of the customer indicates that the kW demand may normally exceed 500 kW.

Reactive Demand determination shall continue until the demand has been less than 500 kW for twelve consecutive months.

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NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: NOVEMBER 1, 2009
STAMPE: Issued in Compliance with Order in Case No. 08-E-0751 issued September 22, 2009.

LEAF: 382
REVISION: 1
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 3 (Continued)

HIGH VOLTAGE DELIVERY

When a customer provides the high voltage equipment to accept a service voltage higher than 2.2 kV, the service voltage will be the Company's incoming line voltage. When the Company provides all or part of the high voltage equipment, the service voltage will be the secondary voltage of the Company's transformers.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 ½%) pursuant to Rule 26.4.

TERM:

One year from commencement of service under this service classification or under a service classification superseded by this service classification and continuously thereafter until cancelled by the customer upon ninety days' prior written notice to the Company. Cancellation by the customer followed by a resumption of service at the same location within one year shall not modify in any way the Determination of Demand as above provided.

When the amount of investment by the Company or other conditions of service are such as to warrant, the Company may, with the permission of the Public Service Commission, require that the initial Term be longer than one year and for successive one year Terms thereafter until cancelled effective at the expiration of the initial Term, or of succeeding one year Terms, by the customer giving ninety days' prior written notice to the Company.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS:

- A. **Combined Metering:** When the Company, pursuant to Rule 25.1.4.3, has provided Electric Service at the customer's single location through more than one Retail Delivery Point, the quantities derived from all necessary meters will be combined for billing purposes in accordance with the provisions of Rule 25.1.4.3 upon the execution of the rider for Combined Metering and Billing, attached to Form C.
- B. **Metering Voltage:** When a customer provides the high voltage equipment to accept a service voltage higher than 2,200 volts, the Electric Service voltage will be the Company's incoming line voltage. When the Company provides all or part of the high voltage equipment, the service voltage will be the secondary of the Company's transformers. When service is metered at a voltage either higher or lower than the voltage of delivery, metered quantities will be adjusted for billing as provided in Rule 25.4 of General Information
- C. Canceled
- D. **Riders:** Service taken under this service classification may be eligible for a limited-duration bill reduction treatment as described in Rule 34, Economic Development Programs.
- E. **Budget Plan:** Customers who meet certain eligibility requirements have the option of paying for service under the Company's voluntary Monthly Budget Payment Plan.
 - 1. **Obligation to offer –** At least once in each 12 month period, the Company will provide a written notice offering its levelized payment plan, which is designed to reduce fluctuations in payments caused by seasonal patterns of consumption, to all eligible customers.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

E. (continued)

2. Eligibility - The Company is required to offer a budget payment plan to all customers except:
 - a. Customers who have less than 12 months of billing history at the premises;
 - b. Seasonal, short-term or temporary customers;
 - c. Customers who have payment arrears;
 - d. Interruptible, temperature-controlled, or dual-fuel customers;
 - e. Customers who, for any reason, ceased being billed on a previous budget plan before the end of the plan year in the past 24 months; or
 - f. Customers whose pattern of consumption is not sufficiently predictable to be estimated on an annual basis with any reasonable degree of certainty in the Company's sole judgement.
3. Company Procedure - The Company has established a written procedure and billing system to implement these rules, which procedure:
 - a. Sets forth the method for establishing an eligible customer's monthly budget payment amount which is based on the sum of historic annual charges plus the customer's deferred balance divided by twelve (12).
 - b. Sets forth the method for comparing the actual cost of service rendered, as determined by actual meter readings, to the budget amount, and for adjusting upwards or downwards the budget payment amount to minimize the adjustment required on the final settlement bill. The budget amount can be further adjusted to reflect known or anticipated changes.
 - c. Provides that during the month of the scheduled settlement, the difference between the cost of service actually used and the amount paid during the plan period (deferred balance) will be rolled over into the next plan year or will be settled at the customer's option.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

E. (Continued)

4. Terms of Payment - Budget bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 26.4.

5. Removal from Budget Plan -

- a. A customer may request that the Company remove the customer from the budget plan and reinstate regular billing at any time, in which case the Company may immediately render a final budget settlement bill, and shall do so no later than by the time of the next cycle bill that is rendered more than 10 business days after the request.
- b. The Company may remove a customer from the budget plan if the customer becomes ineligible under Rule E.2 of the section.
- c. If the customer becomes delinquent for the first time in any twelve month period, the Company will provide the customer with the opportunity to become current in payment prior to cancellation from the budget plan. The second, or subsequent, time delinquency occurs in any twelve month period, the Company shall cancel the budget plan and any deficiency shall be due and payable at once, including any late payment charges assessed.
- d. If the customer has an active payment arrangement with the Company and defaults on the payment arrangement, both the budget and payment arrangement will be automatically canceled on the first month of the delinquency.

F. **On-Site Generation Special Provision**

Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) installations on the Company's Form G, Application For Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed the OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

G. Rates and Charges subject to: Rule 34, Program 1, Economic Development Rider (EDR).

Customers who are participants of the EDR (Delivery Voltage Levels: Up to 2.2 kV, 2.2-15 kV, 22-50 kV and Over 60 kV) shall be subject to the rates and charges specified in this Special Provision instead of the Standard Tariff Rates presented in the Rates provision of this Service Classification No. 3. The rates and charges contained in this Special Provision shall apply until the expiration or cancellation of either the customer's EDR under the rules applicable to each program.

MONTHLY RATE:

Customer Charge:

Delivery voltage:

<u>up to 2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$253.22	\$425.59	\$531.83	\$578.13

Plus Demand Charges:

For first 40 or less kW of Demand:

Delivery voltage:

<u>up to 2.2 Kv</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$580.00	\$491.60	\$334.40	\$319.20

Per kW of Demand for all kW of Demand over 40:

Delivery voltage:

<u>up to 2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
\$14.50	\$12.29	\$8.36	\$7.98

Plus Reactive Demand Charge:

\$0.82 for each RkVA of Lagging Reactive Demand

Plus Energy Charges:

Per kWh, for all kWh:

Delivery voltage:

<u>up to 2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
6.182¢	6.048¢	5.812¢	5.754¢

MONTHLY MINIMUM CHARGE:

The monthly minimum charge is the charge computed under MONTHLY RATE, the demand being determined in accordance with the provisions included under Determination of Demand of this Service Classification.

Unless otherwise specified in this Special Provision, all other terms, conditions and surcharges as set forth in this Service Classification shall apply.

Customers served under Special Provision G are not subject to Rule 41 - System Benefits Charge or Rule 49-Renewable Portfolio Surcharge.

H. SUBMETERING: Submetering may be available under certain conditions as contained in Rule 8 of the General Information Section of this Schedule.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

- I. For customers who operate a generator in excess of 25 MVA or greater and install automatic voltage control (AVC) at their facilities, reactive demand charges shall be waived, within the parameters defined by the Company during the period in which such AVC is operating and maintained in good working order. The Company will not waive start-up reactive demand charges. The initial parameters will be determined by the Company and may be changed subject to system conditions and location of the generating unit. The waiver is subject to the Company's rights to review and approve the customer's AVC system and review its operation and performance for compliance with the system requirements.

- J. Net Energy Billing for Certain Customers Operating Solar or Farm Waste Electric Generating Equipment - Customers who own or operate Solar Electric Generating Equipment located and used at its premises or Farm Waste Electric Generating Equipment located and used at his or her "Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the solar or farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

- K. In accordance with Case No. 01-M-0075 – Opinion No. 01-6, issued December 3, 2001 and Order Adopting Economic Development Plan, issued and effective October 24, 2002, as corrected in an Errata Notice issued November 13, 2002, qualifying Business Expansion and Business Attraction Customers and qualifying SC12 customers previously receiving Optional Service shall be entitled to a demand charge reduction at the end of their discount term under the following conditions:

SC-12 Business Expansion and Business Attraction Customers who are required to be reclassified in accordance with the provision of this Tariff from SC-2D to SC-3 at the end of the standard 5-year discount term, shall be subject to an additional two (2) years of demand charges at the prevailing SC-2D rate before becoming subject to the SC-3 voltage level specific Distribution Delivery Demand Charge and Competitive Transition Demand Charge associated with its parent SC-3 Standard Tariff rates and charges. At the end of the two (2) year period the customer will no longer be subject to the prevailing SC-2 demand charge and will be subject to the applicable SC-3 demand charges.

SC-12 Customers previously receiving Optional Service who are required to be reclassified in accordance with the provision of this Tariff from SC-2D to SC-3 at the end of the discount term, shall be subject to an additional two (2) years of demand charges at the prevailing SC-2D rate before becoming subject to the SC-3 voltage level specific Distribution Delivery Demand Charge and Competitive Transition Demand Charge associated with its parent SC-3 Standard Tariff rates and charges. At the end of the two year (2) year period the customer will no longer be subject to the prevailing SC-2 demand charge and will be subject to the applicable SC-3 demand charges.

Customers must obtain, at their expense, a comprehensive energy audit before qualifying for this demand charge reduction and will have up to two years to implement any identified energy efficiency measures that have a payback of two years or less. Customers shall also pursue currently available NYSERDA programs to aid in these identified energy efficiency measures. Customers who fail to meet these conditions will, as applicable, be ineligible for the demand charge reduction or forfeit any demand charge reduction described in this Special Provision.

The Company has the right to withhold or terminate funding if customer is in arrears on their current account.

This Special Provision is applicable for the term of the Joint Proposal as approved by the Commission in Case No. 01-M-0075. Accordingly, this Special Provision expires December 31, 2011.

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

L. Electricity Supply Service for Customers 500 kW or Greater:

All customers except those customers with an existing contract under Service Classification Nos. 11 or 12, receiving an allocation of NYPA power, or taking service under Rule 34.3 Empire Zone Rider as of September 1, 2006, regardless of voltage level or electricity supplier, with a demand of 500 kW or greater for six (6) consecutive months within the last twelve (12) months beginning December 31, 2005 will be billed for electricity supply service based on their actual hourly usage.

Customers who meet this size requirement and who have an existing contract under Service Classification Nos. 11 or 12, who receive an allocation of NYPA power, or who take service under Rule 34.3 Empire Zone Rider as of September 1, 2006 will be billed for electricity supply service based on their actual hourly usage upon expiration of their contract or allocation or Empire Zone Rider or if they elect to be billed for commodity based on their actual hourly usage prior to the expiration of their contract or allocation or Empire Zone Rider.

All Customers who become eligible for hourly commodity billing will continue to be billed for electricity supply based on their actual hourly usage even if their demand falls below 500 kW

Customers served under this Special Provision L and who take electricity supply service from the Company will be billed at hourly day-ahead market prices as described in Rule 46 herein.

All Customers regardless of voltage level or electricity supplier, who meet the size requirement described above beginning December 31, 2005 will be required to install an interval meter at the Customer Premises and will be subject to an incremental customer charge of \$43.77/mo., except Service Classification Nos. 11 or 12 customers who have existing contracts that preclude pricing adjustments. Service Classification Nos. 11 or 12 customers will be subject to the foregoing incremental customers charge only when their contract expires or if they elect to hourly commodity billing prior to contract expiration.

- M. Net Energy Billing for Certain Customers Operating Wind Electric Generating Equipment –**
Residential, farm service, and non-residential customers, who own or operate Wind Electric Generating Equipment may deliver electricity to the Company generated by the wind electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 37 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

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INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 390
REVISION: 0
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**SERVICE CLASSIFICATION NO. 3A
LARGE GENERAL SERVICE - TIME OF USE RATE**

APPLICABLE TO USE OF SERVICE FOR:

Service shall be available throughout the Company's service area from existing circuits of adequate capacity and appropriate character. Service shall be provided for all purposes required by a customer on the premises, inclusive of retail transmission, distribution and Electric Service, where such entire requirements are delivered at one Retail Delivery Point and singly metered with respect to the delivery voltage, and according to the following requirements below:

FOR CUSTOMERS SERVED UNDER SC-3A BEFORE SEPTEMBER 1, 1998

When the monthly demand has exceeded 2,000 kW in any two consecutive months of the previous twelve months, or whenever in the Company's opinion the applicant's demand will exceed 2,000 kW in any two consecutive months. A customer once served under this service classification shall remain on this service classification until the monthly measured demand has been 1,500 kW or less for twelve consecutive months following the initial Term of Service, whereupon service may be taken under another appropriate service classification.

FOR CUSTOMERS SERVED UNDER SC-3A AFTER SEPTEMBER 1, 1998

When the monthly measured demand has exceeded 2,000 kW in any six consecutive months of the previous twelve months, or whenever in the Company's opinion the applicant's demand will exceed 2,000 kW in any six consecutive months. A customer once served under this service classification shall remain on this service classification until the monthly measured demand has been 1,800 kW or less for six consecutive months following the initial Term of Service, whereupon service shall be taken under the otherwise applicable service classification.

APPLICATION FOR SERVICE:

The Company may require the customer to submit a written application for service on the Company's prescribed Form C, with all applicable riders attached, however, the customer's failure to submit a Form C application does not exempt the Customer from paying all rates and charges, and terms and conditions provided herein. When accepted by the Company, such application shall constitute an agreement for the provision of service hereunder.

CHARACTER OF SERVICE:

Continuous. Single or three phase alternating current, approximately 60 Hz, at one standard secondary voltage, or a primary distribution voltage or a transmission voltage. Company will indicate the voltage and type of service available and appropriate for the customer's requirements.

SERVICE CLASSIFICATION NO. 3A (Continued)

RATE BLOCKS:

Standard Tariff Rates applicable to this service classification are administered on the basis of the number of kWh used and maximum kW of demand used in the billing period. Rate Blocks are defined as follows:

- Block 1 First 250 hours of maximum demand measured in kW
Block 2 Next 150 kWhs of usage
Block 3 All remaining kWhs of usage that are in excess of Blocks 1 and 2

Block 1, Block 2 and Block 3 kWhs of usage shall be allocated to rating periods according to the metered usage of electricity and the rating periods described below.

Maximum demand shall be determined as the highest demand measured in the billing period. In the event the billing period consists of less than 27 days or more than 35 days, the maximum demand shall be prorated on the basis of the number of elapsed days divided by 30.

RATE PERIODS:

On-peak hours are defined as the hours between 8:00 a.m. and 10:00 p.m., Mondays through Fridays, except for the following holidays when such holidays fall on other than a Saturday or a Sunday; New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

All other hours are defined as off-peak.

CHARGES:

	<u>Delivery Voltage</u>			
	<u>Up to 2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50kV</u>	<u>Over 60 kV</u>
Customer Charges:				
Distribution Delivery	\$902.00	\$902.00	\$1400.00	\$3172.00
Plus Demand Charges:				
Distribution Delivery				
Charges; per kW:	\$ 7.66	\$ 9.47	\$ 4.01	\$ 3.10
Competitive Transition				
Charges; per kW:	\$ 3.69	\$.49	\$ 3.30	\$ 3.13
Plus kWh Charges:				
Distribution Delivery Charges; per kWh:				
<u>First 250 Hours of Use</u>				
On-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Off-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000

PLUS REACTIVE DEMAND CHARGES:

All Delivery Voltages: \$ 1.02 Per kilovolt-ampere of lagging Reactive Demand

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SERVICE CLASSIFICATION NO. 3A (Continued)

Electricity Supply Service / Competitive Transition Charge (per kWh):

Company Supplied Electricity Supply Service Charges: Company supplied Electricity Supply Service Charges shall be set on an hourly basis according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

Competitive Transition Charge, per kWh for all Load Zones

	<u>Per kWh</u>			
	<u>Secondary (Up to 2.2 kV)</u>	<u>Primary (2.2-15 kV)</u>	<u>Subtransmission (22-50 kV)</u>	<u>Transmission (Over 60 kV)</u>
<u>First 250</u>				
<u>Hours of Use</u>				
On-Peak	\$0.00400	\$0.00512	\$0.00562	\$0.00365
Off-Peak	\$0.00292	\$0.00387	\$0.00429	\$0.00284
<u>Next 150</u>				
<u>Hours of Use</u>				
On-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Off-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000
<u>Over 400</u>				
<u>Hours of Use</u>				
On-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000
Off-Peak	\$0.00000	\$0.00000	\$0.00000	\$0.00000

SERVICE CLASSIFICATION NO. 3A (Continued)

SYSTEM BENEFITS CHARGE:

Customers Served under this Service Classification No. 3A shall be subject to Rule 41 – System Benefits Charge.

RENEWABLE PORTFOLIO SURCHARGE:

Customers Served under this Service Classification No. 3A shall be subject to Rule 49 – Renewable Portfolio Surcharge.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification, including System Benefits Charge, will be increased by a tax factor pursuant to Rule 32.

DETERMINATION OF DEMAND:

Distribution Delivery Charges:

Delivery voltage below 22 kV:

The Distribution Delivery Charges, for delivery voltage up to 2.2 kV and 2.2-15 kV, shall be determined utilizing the highest demand measured over any fifteen minute interval during the month, but not less than one-half of the highest such demand occurring during any of the preceding eleven months, nor less than the demand contracted for in Form C, nor less than the demand contracted for in Form J, where applicable.

Delivery voltage above 22 kV

The Distribution Delivery Charges for delivery voltage 22-50 kV and over 60 kV, shall be determined utilizing the highest demand measured over any fifteen minute interval during the month, but not less than the demand contracted for in Form C, nor less than the demand contracted for in Form J, where applicable.

Competitive Transition Charges (per kW) Demand:

Delivery voltage below 22 kV:

The Competitive Transition Charges per unit of demand, for delivery voltage up to 2.2 kV and 2.2-15 kV, shall be determined utilizing the highest demand measured over any fifteen minute on-peak interval during the month, but not less than one-half of the highest such demand occurring during any of the preceding eleven months, nor less than the demand contracted for in Form C, nor less than the on-peak demand contracted for in Form J, where applicable.

Delivery voltage above 22 kV

The Competitive Transition Charges per unit of demand, for delivery voltage 22-50 kV and over 60 kV, shall be determined utilizing the highest demand measured over any fifteen minute on-peak interval during the month, but not less than the demand contracted for in Form C, nor less than the on-peak demand contracted for in Form J, where applicable.

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SERVICE CLASSIFICATION NO. 3A (Continued)

CUSTOMERS PREVIOUSLY SERVED UNDER SERVICE CLASSIFICATION NO. 3

For customers served under Service Classification No. 3 in the twelve months prior to September 1, 1998, the initial demand contracted for in Form C under this service classification for both Distribution Delivery Charges and Competitive Transition Charges shall be no less than the lesser of one-half of the highest demand measured over a fifteen minute interval during any of the most recent twelve months or 1800 kW.

Reactive Demand:

The Reactive Demand shall be the highest average RkVA of lagging reactive demand measured over a fifteen minute interval during the month less one-third of the highest kW demand measured during the month.

Unless otherwise specified in this Special Provision, all other terms, conditions and surcharges as set forth in this Service Classification shall apply.

BILLING PERIOD:

The rates and charges contained in this service classification are based upon a monthly billing period. A monthly billing period is defined as any period consisting of not less than 25 days and not more than 35 days. Bills for shorter or longer periods than defined herein shall be prorated on the basis of the number of elapsed days divided by 30.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2%) pursuant to Rule 26.4.

SERVICE CLASSIFICATION NO. 3A (Continued)

TERM:

Except as otherwise provided herein, the Term under this service classification shall be one year from commencement of service and continuously thereafter until permanently canceled by customer upon ninety days' prior written notice to the Company. Cancellation by customer followed by resumption of service at the same location within one year shall not modify in any way the Determination of Demand as above provided. When the amount of an investment by the Company or other conditions of the service are such as to warrant, the Company may, with the permission of Public Service Commission, require that the initial term be longer than one year and for successive one year terms thereafter until canceled effective at the expiration of the initial Term, or of any succeeding one year Term, by customer giving ninety days' prior written notice to Company. Customers executing a Form J service agreement shall be required to comply with the terms and termination provisions established in Form J.

SPECIAL PROVISIONS:

- A. **Combined Metering and Billing:** When the Company, pursuant to Rule 25.1.4.3, has provided Electric Service at the customer's single location through more than one Retail Delivery Point, the quantities derived from all necessary meters will be combined for billing purposes in accordance with the provisions of such rule upon the execution of the rider for Combined Metering and Billing attached to Form C.
- B. **Metering Voltage:** When a customer provides the high voltage equipment to accept a service voltage higher than 2,200 volts, the Electric Service voltage will be the Company's incoming line voltage. When the Company provides all or part of the high voltage equipment, the service voltage will be the secondary voltage of the Company's transformers. When service is metered at a voltage either higher or lower than the voltage of delivery, metered quantities will be adjusted for billing as provided in Rule 25.4 of General Information.
- C. **Riders:** Service taken under this service classification may be eligible for a limited-duration bill reduction treatment as described in Rule 34, Economic Development Programs.
- D.1. **Customer Service Back-Out Rate:** Customers eligible for and taking Electricity Supply Service from a source other than the Company, or other than NYPA power delivered under SC-4 or Rule 34, shall be credited the amounts specified in rule 42 of the Tariff.
- D.2. **Transmission Revenue Adjustment ("TRA"):** Customers taking service under this Service Classification No. 3A shall be subject to Rule 43 - Transmission Revenue Adjustment.

SERVICE CLASSIFICATION NO. 3A (Continued)

SPECIAL PROVISIONS (Continued)

- E. **On-Site Generation Special Provision** - Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) installations on the Company's Form G, Application for Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed the OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50.
- F. Retail Access: Customers served in this Rate Classification are eligible to participate in the Retail Access Program in accordance with Rule 39, Retail Access Program.
- G. For customers who operate a generator in excess of 25 MVA or greater and install automatic voltage control (AVC) at their facilities, reactive demand charges shall be waived, with the parameters defined by the Company during the period in which such AVC is operating and maintained in good working order. The Company will not waive start-up reactive demand charges. The initial parameters will be determined by the Company and may be changed subject to system conditions and location of the generating unit. The waiver is subject to the Company's rights to review and approve the customer's AVC system and review its operation and performance for compliance with the system requirements.
- H. **Net Energy Billing for Certain Customers Operating Solar or Farm Waste Electric Generating Equipment** - Customers who own or operate Solar Electric Generating Equipment located and used at its premises or Farm Waste Electric Generating Equipment located and used at his or her "Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the solar or farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

- I. **Net Energy Billing for Certain Customers Operating Solar or Farm Service Electric Generating Equipment** - Residential, farm service, and non-residential customers, who own or operate Wind Electric Generating Equipment may deliver electricity to the Company generated by the wind electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 37 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 397
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 3B
INTERRUPTIBLE ELECTRIC SERVICE**

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 398
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 3C
COMBINED FIRM AND INTERRUPTIBLE ELECTRIC SERVICE**

CANCELED

**SERVICE CLASSIFICATION NO. 4
UNTRANSFORMED SERVICE TO CERTAIN CUSTOMERS TAKING POWER FROM
PROJECTS OF THE NEW YORK POWER AUTHORITY**

APPLICABLE TO USE OF SERVICE FOR:

The supply by the Company of:

- (1) transmission, distribution and delivery service by the Company for Electricity Supply Service ("ESS") provided by the New York Power Authority ("NYPA") from the Entergy Nuclear Plant (formerly NYPA's Fitzpatrick Plant) exempt from the Company's Competition Transition Cost ("CTC") under the provisions of the Settlement Agreement between the Company, NYPA and the New York State Department of Public Service dated May 27, 1997 and approved by the Commission in Orders dated May 23, 1997, June 10, 1997 and August 20, 1997 in Cases 97-E-0528 and 97-E-0569 ("the May 22, 1997 Settlement") (hereinafter referred to as "CTC Exempt HLFF Delivery Service"); and,
- (2) the supplemental electric service requirements of an individual customer who has contracted: (A) to purchase ESS from NYPA's Niagara or St. Lawrence Projects; or (B) to receive CTC Exempt HLFF Delivery Service under this rate schedule SC-4 (hereinafter referred to as "SC-4 Supplemental Service").

Customers receiving only ESS from the Entergy Nuclear Plant (formerly NYPA's FitzPatrick Plant) subject to the Company's CTC, whether in the form of High Load Factor FitzPatrick ("HLFF") Power subject to CTC, Economic Development Power ("EDP") in excess of 46 MW or otherwise, shall receive transmission, distribution and delivery service exclusively under rate schedules:

- (a) SC-3 or S.C. No. 3-A (subject to the terms of Special Provisions J, K, L, and M), and
- (b) Rule 39 to the extent that they would qualify for such service if they had purchased their electric requirements from a source other than NYPA.

Service hereunder is available throughout the Company's service area from existing circuits of adequate capacity and appropriate character.

The Company may require the customer to apply for service under this rate schedule upon the Company's prescribed written forms and to attach any applicable riders thereto. When accepted by the Company, such application shall constitute an agreement for the supply of service hereunder, but the customer's failure to submit such a written application shall not relieve it of the obligation to pay the rates and charges established herein for service subject to the provisions of this rate schedule. In no event shall a customer failing to execute a service agreement with the Company be eligible to participate in the Company's Retail Access Program for the portion of the load met by SC-4 Supplemental Service.

SERVICE CLASSIFICATION NO. 4 (Continued)

CHARACTER OF SERVICE:

Continuous. Three-phase alternating current, approximately 60 Hz. Company will determine the voltage available and appropriate for the customer's total Electric Service requirements.

CALENDAR MONTH RATE FOR SC-4 SUPPLEMENTAL SERVICE:

The rates applicable to SC-4 Supplemental Service shall be for a calendar month billing period. In the event that the customer would have qualified for service under the Company's rate schedules:

- (a) S.C. No. 3-A based on its combined actual demands for SC-4 Supplemental Service from the Company, CTC Exempt HLFF Delivery Service from the Company, and PFJR Service delivered under Rule 34, or
- (b) S.C. No. 3 then

the customer shall be eligible to receive its SC-4 Supplemental Service either in the form of sales service or in the form of transmission, distribution and delivery service. In either event, the rates specified in that rate schedules SC-3 or S.C. No. 3-A shall apply to such service, subject to the terms of Special Provisions J, K, L, and M.

CALENDAR MONTH RATE FOR CTC EXEMPT HLFF DELIVERY SERVICE

The rates applicable to CTC Exempt HLFF Delivery Service shall be for a calendar month billing period. This service shall be restricted to customers that would qualify for service under the Company's rate schedule S.C. No. 3-A based on their combined actual demands for SC-4 Supplemental Service, CTC Exempt HLFF Delivery Service and PFJR Service. The rates for the transmission, distribution and delivery of CTC Exempt High Load Factor FitzPatrick Delivery Service shall be the rates for transmission, distribution and delivery of an equivalent amount of ESS obtained from a source other than NYPA or the Company under Rate Schedule S.C. No. 3-A, subject to the terms of Special Provisions K, L, and M. These rates shall be applied according to the billing methodology established in Special Provision H of this Rate Schedule.

SERVICE CLASSIFICATION NO. 4 (Continued)

DETERMINATION OF BILLING QUANTITIES

1. Company will normally furnish and install meters at the customer's expense to measure the total 60 Hz electric service taken by the customer, including both SC-4 Supplemental Service and CTC Exempt HLFF Delivery Service, as well as ESS provided by NYPA's Niagara and St. Lawrence Projects and transmitted, distributed and delivered by the Company pursuant to a contract with the customer and NYPA. When the metering voltage is either higher or lower than the delivery voltage, such measurements shall be conformed to the delivery voltage measurements as provided in Rule 25.4 of the General Information.
2. Metering facilities may be installed by NYPA instead of by the Company with the Company's approval. In this case, the metering equipment and installation must meet the specifications of both the Company and the New York State Public Service Commission and the customer shall be eligible for a metering credit pursuant to Rule 25.1.1.1.
3. The demand billed for SC-4 Supplemental Service taken hereunder shall be the greater of:
 - (1) The amount, if any, by which the overall maximum 30 minute integrated 60 Hz kW demand as established by metering within the billing period exceeds the sum of:
 - (a) the customer's contract demands for ESS from NYPA's Niagara and St. Lawrence Projects as determined at the meter pursuant to the terms and conditions of the customer's contracts with NYPA and the Company; and
 - (b) the customer's contract demands for CTC Exempt HLFF Delivery Service as determined at the meter according to the provisions of Special Provision H of this rate schedule S.C. No. 4; and
 - (c) the customer's contract demands for PFJ Power supplied under Rule 34; or
 - (2) The number of kW of SC-4 Supplemental Service contracted for by the customer with the Company and documented on the Company's Form "C"; or
 - (3) The minimum demand provisions of the Applicable Rate Schedule as defined above.
4. The demand billed for CTC Exempt HLFF Delivery Service shall be the greater of:
 - (1) the customer's billing demand for CTC Exempt HLFF Delivery Service as determined according to the billing methodology established in Special Provision H of this Rate Schedule; or
 - (2) The number of kW of CTC Exempt HLFF Delivery Service contracted for by the customer with the Company and documented on the Company's Form "C".

SERVICE CLASSIFICATION NO. 4 (Continued)

DETERMINATION OF BILLING QUANTITIES (Continued)

5. The reactive demand (RkVA) billed shall be the amount by which the overall maximum metered 30 minute integrated RkVA of lagging reactive 60 Hz demand which shall have occurred during the billing period less the RkVA made available pursuant to the terms and conditions of the customer's contracts with NYPA for the delivery of Niagara and St. Lawrence Power and Entergy Power from the Entergy Nuclear Plant (formerly NYPA's Fitzpatrick Plant) delivered as CTC Exempt HLFF Delivery Service exceeds one-third of the maximum metered demand in SC-4 Supplemental Service as specified in paragraph 3 above for the billing period.
6. The total SC-4 Supplemental Service billing kWh taken hereunder in the billing period shall be determined by summing the SC-4 Supplemental Service billing kWh in each thirty minute Billing Interval in the billing month. Billing kWh of SC-4 Supplemental Service taken in any Billing Interval shall be the amount, if any, by which the total 60 Hz kWh at delivery voltage for that Billing Interval exceeds the sum of:
 - (1) the kWh received by the customer at the customer's meter from NYPA's Niagara and St. Lawrence Projects under the terms of the customer's contracts with NYPA and the Company for the purchase and delivery of such ESS in that Billing Interval; and
 - (2) the kWh received by the customer from the Entergy Nuclear Plant (formerly NYPA's FitzPatrick Plant) delivered as CTC Exempt HLFF Delivery Service under this rate schedule S.C. No. 4 in that Billing Interval; and
 - (3) the kWh received by the customer as PFJR Service under Rule 34 in that Billing Interval;all adjusted for losses as hereinafter provided and taking into account that regardless of the number of billing kWh for NYPA power no customer shall be deemed to have received more NYPA kWh during any Billing Interval than its actual total metered kWh receipts during that interval.
7. Deliveries of PFJR Power to customers also receiving service under this Rate Schedule shall be billed under the applicable provisions of Rule 34. The total SC-4 Supplemental Service billing kWh in the billing period shall be determined by summing the SC-4 Supplemental Service billing kWh in each Billing Interval in the billing month.

TERMS OF PAYMENT

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2 %) pursuant to Rule 26.4.

SERVICE CLASSIFICATION NO. 4 (Continued)

TERM

Initial term of one (1) year and to continue thereafter for successive one (1) year terms until canceled effective at the expiration of the initial or any succeeding one (1) year term by customer by a notice in writing served on Company not less than ninety (90) days prior to the termination of the initial or any succeeding term, provided however that the service hereunder will be supplied only when taken in conjunction with NYPA power and regardless of term provisions will terminate upon permanent cessation of the supply to customer of said NYPA power. In the event that the customer terminates its ESS arrangement with NYPA prior to its expiration according to its terms, the Company shall require written confirmation from both NYPA and the customer before terminating the customer's SC-4 service agreement.

SPECIAL PROVISIONS:

- A. **Company Facilities:** Company shall not be required to provide facilities for SC-4 Supplemental Service or CTC Exempt HLFF Delivery Service in excess of the amount of the total demands for such services specified in the customer's Application for Service.
- B. **Billing Period Adjustments:** For a fractional part of a billing period at the beginning or end of service, the kW Demand and Reactive Demand charges and the minimum charge shall each be proportionately adjusted in the ratio that the number of hours that electric service is furnished to customer in such fractional billing period bears to the total number of hours in the billing period involved.
- C. **Metering Voltage:** When service is metered at a voltage either higher or lower than the voltage of delivery, metered quantities will be adjusted for billing as provided in Rule 25.4 of General Information.
- D. **On-Site Generation Special Provision**

Customers are obligated to certify, subject to the Company's approval, on-site generation (OSG) Installations on the Company's Form G, Application for Electric Standby Service, and will be subject to the provisions of Service Classification No. 7 unless the customer has electrically isolated a portion of their load as defined in Rule 1.48 or has installed an OSG to be used exclusively as an Emergency Power System as defined in Rule 1.50.

SERVICE CLASSIFICATION NO. 4 (Continued)

SPECIAL PROVISIONS (Continued)

- E. **Individually Negotiated Rates:** The Company will entertain, when circumstances warrant and when NYPA consents to any required changes in the applicable billing methodology for the delivery of Niagara or St. Lawrence Power, individually negotiated contracts under rate schedule S.C. No. 12 with customers who would otherwise be served under this Service Classification.
- F. **Exemption from Certain Provisions of Rate Schedule S.C. No. 3:** Customers receiving SC-4 Supplemental Service under rate schedule S.C. No. 4 who are billed in accordance with the provisions of rate schedule S.C. No. 3 shall be exempt from Special Provisions E, F, and H of that rate schedule.
- G. **Special Rule for SC-4 Supplemental Service**
- (1) The CTC established in rate schedule S.C. No. 3-A, the SBC established in Rule 41 and the Tax Factor established in Rule 32 shall apply to such service.
- H. **Special Rules for CTC Exempt HLFF Delivery Service**
- (1) The CTC established in rate schedules S.C. No. 3 and S.C. No. 3A shall not apply to such service, but the Tax Factor established in Rule 32 shall apply to such service. The application of Rule No. 41 – System Benefits Charge and Rule No. 49 – Renewable Portfolio Surcharge to such service is described in Rule No. 41 and 49, respectively.
- (2) In the event that the customer fails to execute a Form C Agreement specifying its contract demand for CTC Exempt HLFF Delivery Service, the customer's contract demand for such service shall be deemed to be the lesser of : (a) the customer's maximum entitlement to CTC Exempt HLFF Delivery Service under the May 22, 1997 Settlement; or (b) the amount of firm point-to-point transmission capacity on the Company's system reserved by NYPA for deliveries to the customer, adjusted for losses in transmission and distribution.
- (3) The following billing method shall be applied to determine the portion of the customer's total demand for electric service met by CTC Exempt HLFF Delivery Service in any month:
- (a) The portion of the total power utilized that shall be apportioned to service hereunder in any billing period shall be a fraction of which the numerator shall be the contract demand and the denominator shall be the greater of (i) the maximum 30-minute integrated demand in the billing period or any of the eleven preceding months on all sources of supply; or (ii) the sum of customer's contract demand for Authority power from the FitzPatrick plant and other Authority projects, appropriately adjusted for transmission losses. The billing demand and the energy supplied hereunder for the billing period shall be the maximum 30-minute demand in the period on all sources of supply and the total energy supplied in the month, respectively, multiplied by this ratio as computed for the period.

SERVICE CLASSIFICATION NO. 4 (CONTINUED)

SPECIAL PROVISIONS (Continued)

H. Special Rules for CTC Exempt HLFF Delivery Service (Continued)

(3) (Continued)

(b) In the event that the customer's total allocation(s) of NYPA ESS at a single location is reduced the following special rules shall apply:

(i) If SC-4 Supplemental Service did not contribute to meeting the customer's maximum demand in the billing month or any of the eleven preceding months, the customer's demand in the months preceding the reduction of the customer's total NYPA ESS shall not be considered in calculating the customer's bills under subpart (a) above, and

(ii) If SC-4 Supplemental Service did contribute to the customer's maximum demand in the billing month or any of the preceding eleven billing months, the Company shall adjust the customer's maximum demand for each of the preceding eleven months solely for the purpose of calculating the current month's bills for CTC Exempt HLFF Service. This adjustment shall be performed by subtracting the contribution to the customer's maximum metered demand in each of the preceding eleven billing months made by the customer's reduced contract capacity for NYPA ESS from the customer's overall maximum metered demand in each such month. These adjusted monthly maximum metered demands shall then be used to determine the customer's bill for CTC Exempt HLFF Delivery Service for the current month in accordance with the provisions of subpart (a) above.

(c) Notwithstanding the provisions of subparts (a) and (b) of this Special Provision (H) (3), no deliveries of NYPA power received by the customer prior to September 1, 1998 shall be considered in calculating the amounts owed by the customer to the Company for CTC Exempt HLFF Delivery Service received by the customer on or after that date.

I. Retail Access Program: Program customers served under this rate schedule S.C. No. 4 whose Applicable Rate Schedules as defined herein are rate schedules S.C. No. 3 and S.C. No. 3A are eligible for participation in the Retail Access Program in accordance with Rule 39, Retail Access Program, for the portion of their total load served by SC-4 Supplemental Service.

SERVICE CLASSIFICATION NO. 4 (Continued)

SPECIAL PROVISIONS (Continued)

J. Customer Charges For HLFF Customers

Customers eligible to receive electric power pursuant to the Settlement Agreement between the Company, NYPA, and the New York State Department of Public Service dated May 22, 1997 and approved by the Commission in Orders dated May 23, 1997, June 10, 1997, and August 20, 1997 in Cases 97-E-0528 and 97-E-0569 ("the May 22, 1997 Settlement"), which power is produced at the Entergy Nuclear Plant (formerly NYPA's Fitzpatrick Plant) and is delivered by Niagara Mohawk shall be subject to Customer Charges which are established based upon whether or not the customer utilizes supplemental electric service from the Company.

Customers who do not use supplemental electric service shall have their customer charges frozen at the rates below through December 31, 2011. Customers who utilize supplemental electric service shall have their customer charges set according to the S.C. No. 3A tariff.

<u>Delivery Level</u>	<u>Without Supplemental Electric Service</u>	<u>With Supplemental Electric Service</u>
Secondary (<2.2 kV)	\$902.00	per SC-3A
Primary (2.2 B 15 kV)	\$902.00	per SC-3A
Subtransmission (22 B 50 kV)	\$1,400.00	per SC-3A
Transmission (>60 kV)	\$1,726.55	per SC-3A

K. Distribution Delivery Rates for HLFF Customers

Customers eligible to receive electric power pursuant to the Settlement Agreement between the Company, NYPA, and the New York State Department of Public Service dated May 22, 1997 and approved by the Commission in Orders dated May 23, 1997, June 10, 1997, and August 20, 1997 in Cases 97-E-0528 and 97-E-0569 ("the May 22, 1997 Settlement"), which power is produced at the Entergy Nuclear Plant (formerly NYPA's Fitzpatrick Plant) and is delivered by Niagara Mohawk shall be subject to distribution delivery rates as set out below:

Distribution delivery rates for CTC exempt High Load Factor Fitzpatrick customers (as specified in the May 22, 1997 Settlement) for Existing Allocations shall be frozen at the following rates through December 31, 2011.

<u>Delivery level</u>	<u>Rate per kW of Contract Demand</u>
Secondary (<2.2 kV)	\$6.09
Primary (2.2 B 15 kV)	\$8.09
Subtransmission (22 B 50 kV)	\$2.59
Transmission (>60 kV)	\$2.08

Existing Allocations are defined in Special Provision M below.

SERVICE CLASSIFICATION NO. 4 (Continued)

SPECIAL PROVISIONS (Continued)

K. Distribution Delivery Rates for HLFF Customers (Continued)

Distribution delivery rates for CTC exempt High Load Factor Fitzpatrick customers for New Allocations shall be set according to the distribution delivery rates for the S.C. 3A rate classification. The distribution delivery rates are subject to be updated through December 31, 2011. The distribution delivery rates are as follows:

<u>Delivery Level</u>	<u>Rate Per kW of Contract Demand</u>	<u>Rate per kWh of Energy Delivered</u>
Secondary (<2.2 kV)	\$ 7.66	\$0.00000
Primary (2.2 - 15 kV)	\$ 9.47	\$0.00000
Subtransmission (22 - 50 kV)	\$ 4.01	\$0.00000
Transmission (>60 kV)	\$ 3.10	\$0.00000

New Allocations are defined in Special Provision M below.

L. DISTRIBUTION DELIVERY RATES FOR NYPA CUSTOMERS

Customers who receive NYPA Hydro allocations, which are delivered by Niagara Mohawk, shall be subject to distribution delivery rates as set out below:

Transmission and distribution delivery rates for Existing Allocations of NYPA Hydro allocations shall be frozen at the following rates through December 31, 2011.

<u>Delivery Level</u>	<u>Rate per kW of Contract Demand</u>
Secondary (<2.2 kV)	\$1.52
Primary (2.2 - 15 kV)	\$1.52
Subtransmission (22 -50 kV)	\$1.52
Transmission (>60 kV)	\$1.52

Existing Allocations are defined in Special Provision M below.

Distribution delivery rates for New Allocations of NYPA hydro shall be set according to the distribution delivery rates for S.C. No. 3 or S.C. No. 3A, which determination shall be based upon the supplemental service that the customer would otherwise receive service under. The distribution delivery rates are subject to update through December 31, 2011.

SERVICE CLASSIFICATION NO. 4 (Continued)

SPECIAL PROVISIONS (Continued)

L. DISTRIBUTION DELIVERY RATES FOR NYPA CUSTOMERS (Continued)

The distribution delivery rates for New Allocations of NYPA hydro to S.C. 4 customers with supplemental service provided at the S.C. No. 3 rates are as follows:

<u>Delivery Level</u>	<u>Rate Per kW of Contract Demand</u>	<u>Rate per kWh of Energy Delivered</u>
Secondary (<2.2 kV)	\$10.16	\$0.00000
Primary (2.2 - 15 kV)	\$ 8.64	\$0.00000
Subtransmission (22 - 50 kV)	\$ 3.75	\$0.00000
Transmission (>60 kV)	\$ 3.71	\$0.00000

The distribution delivery rates for New Allocations of NYPA hydro to S.C. 4 customers with supplemental service provided at the S.C. No. 3A rates are as follows:

<u>Delivery Level</u>	<u>Rate Per kW of Contract Demand</u>	<u>Rate per kWh of Energy Delivered</u>
Secondary (<2.2 kV)	\$ 7.66	\$0.00000
Primary (2.2 - 15 kV)	\$ 9.47	\$0.00000
Subtransmission (22 - 50 kV)	\$ 4.01	\$0.00000
Transmission (>60 kV)	\$ 3.10	\$0.00000

New Allocations are defined in Special Provision M below.

M. EXISTING AND NEW ALLOCATIONS DEFINED

New Allocations as used in Special Provisions K and L above shall be defined as allocations approved by NYPA's trustees after February 1, 2002, but shall not include:

Replacement Power that becomes available for reallocation prior to September 30, 2002 under Article V of the Agreement: "Allocation and Transfer of Replacement Power Pursuant to Niagara Contract NS-1" dated April 4, 1988; or

Transfers and assignments of allocations from a customer premise / location on Niagara Mohawk's system (i.e., a change in ownership / occupancy of a premise / location will not be deemed "new").

Existing Allocations as used in Special Provisions K and L above shall be defined as allocations which are not New Allocations.

A customer with an Existing Allocation (may receive a New Allocation without causing its Existing Allocations to be classified as New Allocations under this service classification.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 409
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 5
COMBINED 25 AND 60 HERTZ SERVICE**

CANCELED

SERVICE CLASSIFICATION NO. 6
PURCHASE OF ELECTRIC ENERGY AND CAPACITY FROM CUSTOMERS WITH
QUALIFYING ON-SITE GENERATION FACILITIES

APPLICABLE TO:

Purchase of energy and capacity by the Company from a customer operating a generating facility qualifying under PURPA or PSL 66-C less than 80 MW ("QF"), subject to the Special Provisions of this Service Classification. Written application upon the Company's prescribed forms is required.

A customer electing to engage in simultaneous purchase and sale of energy with the Company must sell its energy output to the Company under this Service Classification or under a Special Contract and may contract for its electrical requirements under the appropriate Service Classification for full, supplemental, back-up and/or maintenance service.

A prospective customer operating a qualifying generating facility capable of electric generation in excess of 100 kVA (1) who agrees to provide firm service; or (2) who has, in the opinion of the Company, an installation which requires special facilities; or (3) who desires a long term contract, may negotiate a Special Contract with the Company.

CHARACTER OF SERVICE:

Single or three phase 60 Hz alternating current, delivery by customer to the delivery point at one standard delivery voltage with service metered at, or compensated to, the delivery voltage at the delivery point. Site-specific characteristics will be determined by the Company. "Delivery Point" shall mean the point at which the interconnection facility is connected to the transmission system as is indicated on a one-line diagram included as part of the Interconnection Agreement.

SERVICE CLASSIFICATION NO. 6 (Continued)

RATE TO BE PAID BY COMPANY:

Energy Only payment for QF's:

$$\sum_{i=1}^n (\text{Real Time LBMP}_i * Q_i) - \text{Incurred Cost}_m$$

Energy and Capacity payment for QF's:

$$\sum_{i=1}^n (\text{Real Time LBMP}_i * Q_i) - \text{Incurred Cost}_m + (\text{LBMCP}_m * \text{Capacity}_m)$$

Whereby:

Real Time LBMP_i is the Real Time LBMP in \$/MWh pursuant to Rule 1.63 for each generator bus. In the event the NYISO does not post a price for the generator bus, the electrically nearest generator bus price shall be used. In the event the nearest electrical generator bus cannot be defined, at the discretion of the Company, the Load Zone Real Time LBMP shall be used;

LBMCP_m is defined in Rule 1.64 for the respective calendar month. In the event no electricity is provided for the respective month the payment shall be zero.

Capacity_m is the Unforced Capacity recognized by the NYISO as applicable to capacity requirements for the respective calendar month, as set forth in the NYISO Tariff, in kW. Unforced Capacity is the dependable maximum net capability times one minus the EFORD value assigned to a QF; (DMNC * (1 - EFORD)). EFORD is the demand Equivalent Forced Outage Rate as calculated by the NYISO.

Q_i is the Energy quantity delivered, in kWh per hour, to the Delivery Point

i is the respective hour for the month;

n is the number of hours in the month;

Incurred cost is:

(1) any penalties assessed by the NYISO for units off base point, i.e. Automatic Generation Control penalties.

m is the respective month.

SERVICE CLASSIFICATION NO. 6 (Continued)

RATE TO BE PAID BY COMPANY: (Continued)

- (1) To the extent that a minimum unit rate applied under Section 66-c of the Public Service Law, as implemented by the Commission in Opinion No. 91-2 (as modified by Opinion 91-2A) and prior orders issued in Case No. 90-E-0675 and other applicable proceedings, the rate to be paid under this service classification shall be no less than 6.0 cents per kWh, and averaged annually based on 12 months ended December 31, trued-up each month during that calendar year.
- (2) In the event interval metering is not available the average LBMP shall apply.
- (3) Qualifying small, random suppliers of energy (such as windmills) may elect to sell their output to the Company on a non-time differentiated basis. Deliveries will be measured using a standard kWh meter. The customer will pay the installed cost of the necessary metering equipment at the time of installation in lieu of all Metering, Minimum, and Distribution Demand Charges otherwise applicable under this Service Classification. This provision is limited to secondary single phase service voltage. Applicable capacity payments to customers under this provision shall be made based upon (i) the LBMCP_m divided by (ii) the number of hours in the respective month times (iii) the energy delivery for the respective month.
- (4) The customer shall be entitled to receive direct payment from the NYISO for (1) NYISO Tariff Schedule II Reactive Supply and Voltage Control, and/or (2) NYISO Tariff Schedule III Regulation and Frequency Response, and/or (3) NYISO Tariff Schedule V Operating Reserve, and/or (4) NYISO Tariff Schedule VI Black Start Service. Payment from the NYISO for each of these services is conditioned upon the customers meeting the requirements of the NYISO and making the appropriate contractual arrangements directly with the NYISO.

PAYMENT

Company shall pay customer at customer's office, or at such other place as customer may designate in writing to Company, on or before the twenty-fifth (25th) day of each month for electricity delivery to Company by customer during the preceding billing period. Overdue payments shall accrue interest at the rate of one and one-percent (1 ½%) per month from, and including, the due date to, but excluding the date of payment.

Upon providing five (5) day advance written notification, each party will have the right, at its sole expense and during normal working hours, to examine the records of the other party to the extent reasonably necessary to verify the accuracy of any statement, charges or computation made pursuant to the PPA. If requested, a party shall provide to the other party statements evidencing the quantities of electricity delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made on the next months payment date and shall bear interest calculated at the rate of one and one-half percent (1 ½%) per month from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of one (1) year from the rendition thereof.

SERVICE CLASSIFICATION NO. 6 (continued)

SPECIAL PROVISIONS:

- A. The Customer and the Company shall agree as to the operating mode, interconnection and equipment specifications as set forth in specifications in accordance with Electric System Bulletin (ESB) #756 – Supplement to Specifications for Electrical Installations – Parallel Generation Requirements, as amended from time to time, which are subject to Commission review and arbitration should a dispute arise.

The customer and the Company shall agree as to the manner of payments for interconnection costs which exceed the costs originally incurred in rendering the same Contract Demand under the applicable Service Classification. Upon the mutual agreement the customer may select from the following payment options:

- (1) The Company will furnish, own, operate, and maintain all special equipment, in return for which the Customer, or its successors on the site, will pay a monthly charge of 1.5 percent of the total investment costs for the duration of its/their operations on the site, whether or not the equipment is in use.
 - (2) The customer will furnish, own and operate all special equipment and the Company will maintain such equipment, in return for which the customer, or its successors on the site, will pay a 9 percent annual operating charge based upon the customer's total investment in such interconnection equipment.
 - (3) The customer will furnish, own, operate and maintain all special equipment, provided that the equipment and maintenance are suitable for interconnected operations. Such equipment shall be made available for Company inspection as may reasonably be required.
- B. The Company will be relieved of its obligation to purchase energy during any period in which the Company suffers a System emergency. In such circumstances, the Company will notify the customer to cease supplying energy to the Company. For purposes of this Provision, a System emergency is defined as a condition which is imminently likely to endanger life or property or result in significant disruption of service to any customer.

SERVICE CLASSIFICATION NO. 6 (continued)

SPECIAL PROVISIONS

- C. Customers selling bundled energy, capacity and ancillary services to the Company from a solar, biomass, hydro or wind powered generating facility less than or equal to 5.0 MW nameplate, may elect to be paid the following: (Provisions No 1 through No. 4 of Rate to Be Paid by Company remain):

$$\sum_{i=1}^n (\text{Day Ahead LBMP}_i + \text{Avoided Ancillary Services Rate}_m) * Q_i$$

The Company will receive the benefit of the generation facility's capacity at no cost

Whereby:

Avoided Ancillary Services Rate_m in \$/MWh means for the calendar month in which energy is delivered, the total resultant of (i) the amount Company is charged by the NYISO for Ancillary Services: Rate Schedule 1 scheduling, system control and dispatch service, Rate Schedule 2 reactive supply and voltage support service, Rate Schedule 3 regulation and frequency response service, Rate Schedule 5 operating reserve service (including spinning reserve, 10-minute non-synchronized reserves and 30-minute reserves), and Rate Schedule 6 black start capability, divided by (ii) the total Ancillary Services MWh the Company purchased (including bilateral transactions) for its customers. Initial Monthly Settlement Statements provided to the Company by the NYISO shall be used to calculate the Avoided Ancillary Services Rate. Avoided Ancillary Services Rate shall be deemed to equal \$0.0/MWh in the event the Company cannot utilize the generator as a load modifier in NYISO billing. In the event any such Ancillary Service cost in (i) is not avoided then such contribution to Avoided Ancillary Service Rate shall be \$0.0/MWh;

Day Ahead LBMP_i is the Day Ahead Zonal LBMP in \$/MWh as defined in Rule 1.70 for the NYISO Zone in which the Generation Facility is located.

**SERVICE CLASSIFICATION NO. 7
SALE OF STANDBY SERVICE TO CUSTOMERS WITH ON-SITE GENERATION FACILITIES**

APPLICABLE TO USE OF SERVICE FOR:

This Service Classification No. 7 is applicable to:

- (a) Customers who have generation installed on their site, whether the generation equipment is owned by the customer or a third party;
- (b) Customers who are directly interconnected with a Wholesale Generator, as defined in Rule 1.76; and
- (c) Wholesale Generators who require service from the Company when their own generating equipment is not sufficient to meet their own load.

More specifically:

1. Standby service rates shall apply to: (a.) customers with on-site generation serving load that is not isolated from the grid in accordance with Rule 1.48; (b.) Wholesale Generators that rely on the electric utility to serve electric loads that would otherwise be served by the generator such as station power used for the heating, lighting, air-conditioning, and office equipment needs of the buildings housing the generator and associated support facilities located on a generating facility's site, and/or to facilitate the re-starting of the generator following an outage. Standby rates will also apply to Wholesale Generators that take station service through the same bus bar as they supply the wholesale grid.

2. Same Bus Bar

"Same Bus Bar" is defined as a common electrical point of interconnection on the same physical bus bar structure located at one substation of the utility and an individual customer's system at the single voltage level at which the customer takes service and has taken service as of March 2002. This common point of interconnection may include up to one load serving connection, or tap, (such tap is in addition to the single point of delivery service from the generating customer to the NMPC delivery system being metered), from a single physical bus bar (one tap must be connecting the customer's generation output to the bus and a second tap must be connecting the customer's electric service to the bus) located at an NMPC substation. The customer's generation must be on a single unitary tract of land; adjoining and abutting the land upon which the NMPC substation is located and the points of delivery and receipt must not be more than 500' apart. The presence of Company equipment, including but not limited to switches, fuses, transformers, and circuit breakers, between the point(s) of delivery is not considered Same Bus Bar. If the single physical bus bar or a portion thereof, is relied upon to deliver electricity between the customer's generation and customer's load, i.e., the point of common coupling, the customer will enter into a financial agreement with the Company for payment of use of that portion of the Company's equipment that comprises the point of common coupling necessary to move the generation from the customer to the customer's load. The amount of the load will be netted from the customers' generation on a 15-minute interval basis. The customer is responsible for all costs of metering, reconfiguration, instrument transformers and telemetry equipment necessary to implement the netting of generation and load that meets the requirements above. When the forgoing requirements are met, the customer will be eligible to net generation and load. In this case, the customer, upon entering into a financial agreement with the Company, will be considered as netting the customer's load from "behind the meter" for the limited purposes of electricity supply service provision under Rule 46 and for delivery services.

SERVICE CLASSIFICATION NO. 7 (Continued)

- 3, The Parent Service Classification shall be defined based upon the applicable Contract Demand at the delivery point (as initially calculated by the Company).
4. Exemptions From SC-7
The following customers shall not be subject to S.C.7 but shall be served under the customer's otherwise applicable service classification. Each of applicability provisions 4(C), 4(D), and 4(F) shall be evaluated and considered for termination in the review of the August 2005 CTC Reset filing. Standby service rates shall not apply to:
 - A. "Behind the Meter" Service
Self supplied electricity where a Wholesale Generator, when operating, supplies all of its electric energy needs from "behind the meter" (that is, the energy does not pass through the point of interconnection between the generator's facility and the utility's retail delivery system to which it is interconnected).
 - B. Separately Metered Accounts Not Served by OSG
All separately metered service accounts within the premises whereby electricity consumption is not otherwise served directly through facilities owned by the customer (e.g., power to the facility's outer buildings) shall be provided at the standard tariff rates for the Parent Service Classification.
 - C. Small Generators Operating Before December 31, 2011
Customers with a nameplate aggregate generator(s) 5 kVA or smaller and installed and operating prior to December 31, 2011 shall be served at the standard tariff rates for the Parent Service Classification.
 - D. Certain Customers Grandfathered Under Form G_f: Standby service rates shall not apply to customers served on the standard classification as of January 1, 2002 that have executed a form G_f and were grandfathered as a result of Form G_f of PSC 207 as of January 1, 2002; except where such customer is a SC-3 subtransmission or transmission voltage level or SC-3A subtransmission or transmission voltage level customer and is a Wholesale Generator. Effective May 1, 2006, customers grandfathered under this provision may elect at any time to take service under this service classification. Such customers may exercise this option only once and may not elect to receive service under another service classification, unless otherwise eligible therefore. This grandfathering provision shall expire and no longer apply and Standby Service Rates shall apply if and at such time the customer installs any New Generating Equipment and this SC-7 Tariff shall apply as defined herein.

SERVICE CLASSIFICATION NO. 7 (Continued)

4. Exemptions From SC-7 (Continued)

D. Certain Customers Grandfathered Under Form G_f (Continued)

For the purposes of this provision, New Generating Equipment shall include, the installation or the replacement of the following items of electric plant:

- (i) for steam production plant: boiler plant equipment; engines and engine-driven generators; and turbogenerator units;
- (ii) for nuclear production plant: reactor plant equipment, and turbogenerator units;
- (iii) for hydraulic production plant: turbines, and generators; and
- (iv) for other electric production equipment: fuel holders, producers, and accessories; prime movers; and generators.

The installation or replacement of electric plant ordinarily classified as maintenance or repair expenses or replacements under warranty as a result of a defect or casualty loss, or of water wheels, automotive and marine internal combustion engines fired by natural gas which were designed and installed with the intention of routine replacement, and generator rewinds shall not be deemed to be New Generating Equipment.

E. NYPA Programs and Individually Negotiated Contracts

Standby service rates shall not apply to that portion of a customer's delivery service associated with the provision of applicable NYPA programs or that portion of delivery service served under the terms and conditions of an individually negotiated SC-11 and SC-12 contract.

F. Environmentally Advantageous Technologies

Standby service rates shall not apply to customers who install On-Site Generators that are (1) wind, (2) solar (3) methane, landfill gas, and farm service customers operating anaerobic digesters processing manure if the methane, landfill gas, or manure is 90% or more of the fuel used annually by the On-Site Generator, (4) fuel cells, (5) other renewable technologies explicitly identified in the New York State Energy Plan (e.g. biomass, geothermal and tidal) provided the customer commits in a written agreement with the Company that the On-Site Generators shall comply to all of the following requirements:

- a) The nameplate capacity of the OSG (in aggregate if more than one unit exists) shall at no time exceed (1) 25 kW for residential solar and wind; (2) 500 kW for farm service solar and wind; (3) 500 kW for farm service customers operating anaerobic digesters; (4) 12 kW for non-residential non-demand solar and wind; or (5) the lesser of 2000 kW or customer's peak load during the prior 12 month period or as determined by the Company for non-residential demand solar and wind.
- b) The electricity supply is for use at the customer premises only and not for resale to any other party or for use at any other party or for use at any other premises.
- c) The Renewable OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Company consistent with Electric System Bulletin 750 as it may be amended from time to time.
- d) The customer executes and the Company accepts a Form G as required under the special provisions of the applicable Service Classification for all generators on the premises. The customer shall state its intended use of the OSG facilities on the Form G in the blank spaces provided for special conditions.

SERVICE CLASSIFICATION NO. 7 (Continued)

4. Exemptions From SC-7 (Continued)

In the event the customer fails to comply with provisions (a) through (d) above, the Company shall have the following rights:

(a) to bill the customer for those amounts of total Electric Service which the Company reasonably estimated were received by the customer during times when Electric Service from the Company was available to the customer; and

(b) to require the customer to install OSG meter(s) on all of its generators on the premises within a mutually acceptable schedule and upon receipt of written notice from the Company.

This OSG provision shall terminate for each of the five (5) itemized technologies at such time as the calculated deferral sub-account described herein exceeds an aggregate of \$2,000,000, with no more than \$500,000 allowed for a single exempt technology of the five (5) itemized Company-wide on a prospective (forecast) basis through the rate plan period (i.e. those customers that have obtained the exemption shall retain it subject to the re-evaluation described in this Section F). For customers whose projects employ fuel cells and other renewable technologies explicitly identified in the New York State Energy Plan (e.g. biomass, geothermal and tidal), a single customer shall be limited to consuming no more than 20% of the annual deferral amounts set aside for each of these two categories. Where projections of the savings realized from the exemption exceeds the 20% limitation (\$100,000), the savings will be capped at that level for that project. In that event, standby service will be billed under SC-7 rates, but a refund equivalent to the value of the savings attributable to the exemption will be credited in bills rendered. This deferral sub-account shall reflect the difference in distribution delivery charges and CTC charges that the customer(s) would have paid under the applicable standard service classification under former Rule 12 versus what they actually pay. For this calculation, the avoided demand in kW and monthly energy in kWh shall be determined as follows: (i) in the event a meter exists on the OSG, the customer will supply to the Company the appropriate kW and kWh determinants, or (ii) if no meter exists on the OSG, the customer will supply to the Company the number of hours that the OSG actually operated during the month. For this purpose, the monthly peak generation in kW shall be set at the nameplate capacity as set forth in Form G and the monthly generation in kWh shall be the product of the nameplate capacity in kW times the operating hours. If the number of operating hours are not provided, the customer and the Company shall set forth in Form G an agreed upon expected monthly generation in kWh. Customers who request a formal application for interconnection and install On-Site Generators for the five (5) itemized technologies, shall be eligible for a one-time irrevocable election to request service under this S.C.-7, in lieu of the exemption provided under this Special Provision F during the initial six months of SC-7 commencing July 1, 2002.

G. Net Metering for Solar, Farm Waste or Wind Electric Generating Systems - Standby service rates shall not apply to the following customers provided they have executed a Form K agreement with the Company:

(1) Residential customers with Solar Electric Generating Equipment rated at 25 kW or less, or non-residential customers with a rated capacity of not more than the lesser of two thousand kW or such customer's peak load as measured over the prior 12 month period, or in the case that such twelve month period of measurement is not available, then as determined by the Company based on its analysis of comparable facilities and have complied with all the requirements of Rule No. 36 of this tariff.

(2) Customers with Farm Waste Generating Equipment rated at 500 kW or less provided they have complied with all the requirements of Rule No. 36 of this tariff.

(3) Residential customers with Wind Electric Generating Equipment rated at 25 kW or less, farm service customers with a rated capacity of not more than 500 kW, or non-residential customers with a rated capacity of not more than the lesser of two thousand kW or such customer's peak load as measured over the prior 12 month period, or in the case that such twelve month period of measurement is not available, then as determined by the Company based on its analysis of comparable facilities and have complied with all the requirements of Rule No. 37 of this tariff.

SERVICE CLASSIFICATION NO. 7 (Continued)

H. Emergency Generators

Customers who install an Emergency Power System (as defined in Rule 1.50) may be exempted from the requirement of service under this S.C. No. 7 if the customer commits in a written agreement with the Company that the on-site generators shall be subject to all of the following requirements:

- 1) Each such OSG shall be designated in the customer's Standby Service Application with the Company as an Emergency Power System ("Emergency OSG") pursuant to Rules 1.50;
- 2) Each such Emergency OSG is not capable of being operated in parallel with the Company's system other than for closed-transition transfer switching where the term "closed-transition transfer" is characterized as a momentary make-before-break switching sequence.
- 3) Each such Emergency OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Company.
- 4) The Emergency OSG is used exclusively for purposes of Emergency Power System (defined in Rule 1.50).
- 5) No load may be served by Emergency OSG while Electric Service is being provided by the Company to the premises except:
 - (i) for the periods of time as required by statute or regulation, and
 - (ii) in the absence of a statutory or regulatory requirement, such times so as to adequately test such systems, not to exceed 10 hours per month or as otherwise agreed to by the Company in the Standby Service Application, and
 - (iii) for periods of time called by the NYISO for EDRP or ICAP(UCAP).
- 6) The customer shall maintain an operating log for each Emergency OSG indicating the date, time, hours, and purpose of each operation of each such facility. This log shall be made available to the Company upon request. If the customer fails to maintain this log or to provide it to the Company on request, the Company shall have the following rights:
 - (i) to bill the customer for those amounts of Electric Service which the Company reasonably estimated were inappropriately supplied by the customer's generator during times when Electric Service from the Company was available to the customer; and

In all cases, the customer shall remain obligated to execute and have the Company accept a Standby Service Application (Form G) as applicable under the special provisions of the applicable service classification for all Emergency Generators on the premises. The customer shall state its intended use of the OSG facilities on the Standby Service Application in the blank spaces provided for special conditions.

- I.** Customers served on SC-2D with a contract demand less than 50 kW may elect to remain on the SC-2D standard service classification or may choose to install an interval meter and receive standby rates

SERVICE CLASSIFICATION NO. 7 (Continued)

APPLICATION FOR SERVICE:

The customer must apply for service by providing the Company with an executed Form G, Application For Electric Standby Service and interconnection agreement, both of which are available from Company representatives. Customers operating an on-site generator unit less than 2 MW may use the Company's Form K - Standardized Contract for Interconnection of New Distributed Generation Units With Capacity of 2 MW or Less Connected in Parallel With Utility Distribution Systems. Customer's in excess of 2 MW must execute an interconnection agreement.

CHARACTER OF SERVICE:

Single or three phase alternating current, approximately 60 hertz, at a single standard delivery voltage with service metered at, or compensated to, that delivery point. Site-specific requirements will be determined by the Company.

BILLING PARAMETERS:

Customers served under this service classification shall be billed according to the following parameters:

Customer Charge - a charge for customer related services.

Incremental Customer Charge - the incremental cost of metering and meter communications equipment necessary to administer this Standby Service.

Standby Contract Customer Charge - a reservation charge for the use of the Company's local distribution system (applicable only to standby service customers that would otherwise be served under S.C. No. 1, S.C. No. 2 Non-demand).

Standby Contract Demand Charge - a reservation charge for the use of the Company's local distribution system.

As Used On-Peak Daily Demand Charge - a daily usage demand charge for the maximum use of the Company's delivery system during on-peak hours (as defined herein).

As Used Daily Energy Charge - an energy based usage charge for use of the Company's delivery system (applicable only to standby service customers that would otherwise be served under S.C. No. 1 and S.C. No. 2 Non-demand).

Electricity Supply Service Charge - a charge for the electricity supply service (Commodity) provided to the customer.

Surcharges and Adjustments - a set of itemized charges for specific adjustments as provided under the otherwise applicable service classification.

RATES:

Rates are established on a calendar month basis and will only be prorated if the billing period is less than 25 days or more than 35 days.

SERVICE CLASSIFICATION NO. 7 (Continued)

Applicable Rates and Charges

SERVICE CLASSIFICATION NO. 1 - Residential

MONTHLY RATE:

Customer Charge: \$16.21

Competitive Transition Charge
All Load Zones \$ 1.59

Metering and Communications/Incremental Customer Charge
All Load Zones Leaf No. 429 (A-E)

Contract Customer Charge:
Distribution Delivery \$16.62
Competitive Transition Charge
All Load Zones \$ 1.63

As Used Daily Energy Charges, Per kWh:
Distribution Delivery \$0.01134
Competitive Transition Charge
All Load Zones \$0.00112

SERVICE CLASSIFICATION NO. 2ND

MONTHLY RATE:

Customer Charge: \$21.02

Competitive Transition Charge
All Load Zones \$ 6.68

Metering and Communications/Incremental Customer Charge
All Load Zones Leaf No. 429 (A-E)

Standby Contract Customer Charge
Distribution Delivery \$14.18
Competitive Transition Charge
All Load Zones \$ 4.50

As Used Daily Energy Charges, Per kWh:
Distribution Delivery \$0.01210
Competitive Transition Charge
All Load Zones \$0.00384

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: SEPTEMBER 19, 2009

LEAF: 422
REVISION: 1
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

SERVICE CLASSIFICATION NO. 2D (Interval Meter)

MONTHLY RATE:

Customer Charge: \$52.52

Competitive Transition Charge
All Load Zones \$18.43

Metering and Communications/Incremental Customer Charge

All Load Zones Leaf No. 429 (A-E)

Contract Demand Charge, per kW:

Distribution Delivery \$ 4.62

Competitive Transition Charge
All Load Zones \$ 1.62

As-Used On-Peak Daily Demand Charges, Per kW:

Distribution Delivery \$0.3457

Competitive Transition Charge
All Load Zones \$0.1214

Whenever Company does not have to supply and maintain a transformer or transformers for such service there shall be a discount of ninety cents per kW per month for each kW of billed demand, applicable to the demand charge stated under Standby Contract Distribution Demand Charge.

SERVICE CLASSIFICATION NO. 7 (Continued)

SERVICE CLASSIFICATION NO. 3

MONTHLY RATE:

Customer Charge:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery Charge:	\$260.15	\$436.70	\$554.83	\$599.15

Competitive Transition Charge

All Load Zones	\$243.32	\$499.31	\$1345.72	\$1185.70
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Metering and Communications/Incremental Customer Charge:

All Load Zones	Leaf No. 429 (A-E)
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Contract Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$4.95	\$4.40	\$1.85	\$1.47

Competitive Transition Charge

All Load Zones	\$4.63	\$5.03	\$4.49	\$2.91
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As-Used On-Peak Daily Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$0.2644	\$0.2088	\$0.1061	\$0.1066

Competitive Transition Charge

All Load Zones	\$0.2473	\$0.2387	\$0.2573	\$0.2109
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Plus Reactive Demand Charges:

All Delivery Voltages: \$0.85 for each chargeable RkVA of lagging reactive demand.

SERVICE CLASSIFICATION NO. 7 (Continued)

SERVICE CLASSIFICATION NO. 3A

MONTHLY RATE:

Customer Charge:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery Charge:	\$902.00	\$902.00	\$1,400.00	\$3,172.00

Competitive Transition Charge

All Load Zones	\$518.42	\$146.39	\$1,438.38	\$3,531.87
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Metering and Communications/Incremental Customer Charge:

All Load Zones	Leaf No. 429 (A-E)
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Contract Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$3.55	\$3.45	\$0.79	\$0.54
Competitive Transition Charge				
All Load Zones	\$2.04	\$0.56	\$0.81	\$0.60

As-Used On-Peak Daily Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$0.1893	\$0.2951	\$0.1796	\$0.1472

Competitive Transition Charge

All Load Zones	\$0.1088	\$0.0479	\$0.1845	\$0.1639
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Plus Reactive Demand Charges:

All Delivery Voltages: \$1.02 for each chargeable RkVA of lagging reactive demand.

SERVICE CLASSIFICATION NO. 7 (Continued)

ALL SERVICE CLASSIFICATION NUMBERS:

Electricity Supply Service:

Company Supplied Electricity Supply Service Charges, per kWh:

All SC-7 parent class SC-3A and SC-7 parent class SC-3 (otherwise subject to SC-3, Special Provision L) demand metered customers who are required to install an interval-meter will be billed for commodity service based on their actual hourly usage and the hourly day-ahead market prices as described in Rule 46 herein. All SC-7 parent class SC-2D and SC-3 (otherwise not subject to SC-3, Special Provision L) customers may elect to be billed for commodity service based on their actual hourly usage and the hourly day-ahead market prices as described in Rule 46 herein. Such election shall be made by the customer in the Form G Application for Electric Standby Service. All other SC-7 customers will be billed for commodity services based on their actual monthly kWh usage and the applicable class load shaped thirty-day weighted average market price as provided in Rule 48.4.2.

Company supplied Electricity Supply Service charges shall be set according to the market price of electricity determined in accordance with Rule 46, Electricity Supply Cost.

Customers served under this Service Classification No. 7 are also eligible to participate in Rule No. 39 - Retail Access Program.

Wholesale Generators receiving Station Power service from the NYISO in accordance with Special Provision J shall receive Electricity Supply Service from the NYISO and shall be exempt from Electricity Supply Service charges under Rule 46.

SURCHARGES AND ADJUSTMENTS

System Benefits Charge:

Customers served under this Service Classification No. 7 shall be subject to the Rule 41 - System Benefits Charge for the parent service classification.

Delivery Charge Adjustment:

Customers served under this Service Classification No. 7 shall not be eligible for Rule 29 Delivery Charge Adjustment.

Transmission Revenue Adjustment Charge:

Customers served under this Service Classification No. 7 shall be subject to the Rule 43 - Transmission Revenue Adjustment for the parent service classification.

Customer Service Backout Credit:

Customers who obtain their Electricity Supply Service from an ESCo are eligible for Rule 42 - Customer Service Backout Credit Mechanism for the respective parent service classification.

Renewable Portfolio Surcharge:

Customers served under this Service Classification No. 7 shall be subject to the Rule 49 – Renewable Portfolio Surcharge for the parent service classification.

MINIMUM CHARGE:

Customers served under this Service Classification No. 7 shall be subject to a minimum Charge which shall be the Customer Charge, the Incremental Customer Charge (where applicable), the Standby Contract Demand Charge and the Competitive Transition Charge.

SERVICE CLASSIFICATION NO. 7 (Continued)

INCREASE IN RATES AND CHARGES:

The rates and charges under this Service Classification, including the Minimum Charge, will be increased by a tax factor pursuant to Rule 32.

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge pursuant to Rule 26.4.

TERM:

One year from commencement of service hereunder and continuously thereafter until permanently canceled by the customer upon 90 days' prior notice to the Company.

DETERMINATION OF DEMAND:

(1) Standby Contract Demand

Standby Contract Demand shall initially be set at the maximum anticipated demand of the customer including any load that is not isolated pursuant to Rule 1.48 codified in a Standby Service Application and determined as the greater of the following and the Company shall inform the customer of the resultant contract demand ten (10) days prior to the next billing cycle:

- (i) the maximum demand from the Company's system over the previous 12-months, or
- (ii) the customer's maximum load supplied by all sources including the OSG and Company's supply system over the previous 12-months.

In the case of a new customer (i.e., a customer for whom historical consumption data does not exist) the Standby Contract Demand shall be the maximum anticipated demand of load consumed as a National Electrical Code calculation in effect based upon the electrical equipment to be served.

The Standby Contract Demand shall automatically be increased to the highest measured demand in any billing period during the term hereunder.

The Standby Contract Demand of a Wholesale Generator who is connected to a customer which would otherwise be served directly by the Company shall be set at the maximum potential demand of the station loads of the Wholesale Generator when the generator is out of service plus the maximum potential demand of the customer connected to the Wholesale Generator.

The Standby Contract Demand may be increased based upon a written notice by the customer to the Company at any time.

The Standby Contract Demand as determined above may be reduced based upon a written notice by the customer to the Company and may be reduced no more than one time in a 365-day period and/or 365 days from any increase or ratchet in Contract Demand. In the event the customer's Standby Contract Demand is reduced thereafter and the recorded maximum demand at any time exceeds the customer's nominated and effective Standby Contract Demand: (i) by 20% or greater then a penalty equal to the product of 24 times the contract demand rate times the demand in excess of the Standby Contract Demand shall apply, (ii) by 10% or greater, but less than 20%, then a penalty equal to the product of 18 times the contract demand rate times the demand in excess of the Standby Contract Demand shall apply, (iii) by less than 10% then a penalty equal to the product of 12 times the contract demand rate times the demand in excess of the Standby Contract Demand shall apply.

SERVICE CLASSIFICATION NO. 7 (Continued)

DETERMINATION OF DEMAND and CONTRACT ENERGY: (Continued)

During the first three years of this SC-7, commencing July 1, 2002, for a customer whose parent service classification is either SC-1, SC-2, or SC-3, during the initial 365 days under this SC-7, the penalty described above shall be waived for a new standby customer's first assessment of penalty charges for excessive demand within 10% of the corresponding Standby Contract Demand level. Prospective Standby Contract Demand billings shall be adjusted to the higher level, however, such penalty shall be waived for the first occurrence. Customers with demands of more than 10% above elected Standby Contract Demand levels or subsequent Standby Contract Demand overruns by customers previously qualifying for this waiver shall be expected to pay full penalty charges. Seasonal or other temporary fluctuations in load of the customer's existing facilities such as heating and air conditioning, and temporary reductions in manufacturing shall not qualify for reductions in the Standby Contract Demand.

The effective date of the revised Standby Contract Demand shall be the next billing cycle following the Company's receipt of the customer's written notice provided such notice is received 10 business days prior to the first day of the next billing cycle.

(2) As-Used Daily Demand

The As-Used Daily Demand shall be the aggregate of the highest daily 15-minute integrated demand (measured in kW) occurring during the on-peak hours of each day during the billing period.

On-Peak hours are defined as the hours between 8:00 a.m. and 10:00 p.m., Mondays through Fridays, except for the following holidays when such holidays fall on other than a Saturday or Sunday: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. All other hours are defined as Off-Peak.

(3) As-Used Daily Energy

The As-Used Daily Energy shall be determined as the sum of the billed kWh in the billing period.

(4) The Reactive Demand

The Reactive Power Demand Charge shall be the highest average kilovolt-ampere of lagging reactive demand measured in a fifteen minute interval during the month less one-third of the highest kilowatt demand measured during the month.

SERVICE CLASSIFICATION NO. 7 (Continued)

INTERCONNECTION REQUIREMENTS:

The facility may be connected for parallel operation with the service of the Company, or isolated for operation with standby service provided by a Wholesale Generator by means of a double throw transfer switch or transfer switching scheme acceptable to the Company.

Customers are required to execute an Interconnection Agreement with the Company. Customers having an on-site generator in aggregate with other OSG's of less than 2 MW are eligible to execute a Form K Interconnection Agreement.

All other customers must execute an Interconnection Agreement, available from Company representatives.

For parallel generator installations, the customer and the Company shall agree as to the operating mode, interconnection and equipment specifications as set forth in Specifications for Electrical Installations Supplement, Electric System Bulletin Nos. 756A or 756B as applicable and as amended from time to time, which is subject to Commission review and arbitration should a dispute arise.

The following provision shall not apply to Wholesale Generators that agree to pay for actual interconnection costs in Interconnection Agreements or other agreements with the Company. The customer shall agree to pay for all interconnection costs which exceed the costs ordinarily incurred in rendering service at the same Standby Contract Demand under the applicable Service Classification. Upon a mutual agreement the customer may select from the following payment options, provided that upon request, the customer agrees to provide a compensatory letter of credit to the Company:

- (1) The Company will furnish, own, operate, and maintain all special equipment, in return for which the customer, or its successors on the site, will pay a monthly charge of 1.5 percent of the total investment costs for the duration of its/their operations on the site, whether or not the equipment is in use.
- (2) The customer will furnish, own, and operate all special equipment on their property and the Company will maintain such equipment, in return for which the customer, or its successors on the site, will pay a 9 percent annual operating charge based upon the customer's total investment in such interconnection equipment.
- (3) The customer will furnish, own, operate and maintain all special equipment on their property provided that the equipment and maintenance are suitable for interconnected operations. Such equipment shall be made available for Company inspection as may reasonably be required.

SERVICE CLASSIFICATION NO. 7 (Continued)

METERING AND COMMUNICATIONS/INCREMENTAL CUSTOMER CHARGE

A. Interval Metering: All electricity load measurement for customers 50 kW or larger shall utilize the Company's interval recording meter at the Customer Premises. Where an interval-recording meter does not exist and must be installed, the customer shall be responsible for all metering and installation costs not otherwise covered by New York State Research and Development Authority (NYSERDA). The metering costs are a function of the individual customer's electric service. Metering and installation cost estimates are available from Company representatives. The customer is responsible for the actual costs incurred. Customers who have already installed the requisite interval recording meters as of the effective date of this Service Classification No. 7 will not be subject to incremental metering costs.

B. Telecommunications: Remote meter reading capability is also required for customers 50 kW or larger. The customer will be responsible for all costs associated with providing the telecommunications to the meter. The customer may choose to either:

- 1) provide the Company access to a direct-dial, voice-grade, Public Switched Telephone Network analog connection to the meter, subject to Company approval, to be used exclusively for meter reading functions; or
- 2) the Company will provide communications to the meter at a cost to the customer including applicable overhead.

Customers who have already installed the requisite remote meter reading capability as of the effective date of this Service Classification No. 7 will not be subject to incremental metering costs.

C. Customer-Provided Equipment: Customers providing a telephone connection to the meter will bear all costs associated with the installation, operation and maintenance of the telephone line including, but not limited to, all telephone service bills.

In cases where the Company is unable to read the meter through a customer-provided telephone line, and the Company has determined that the problem is not caused by the Company's meter or equipment, the customer will be responsible to resolve the problem with its telephone provider and will be responsible to reimburse the Company for expenses incurred for visits to the meter location in its efforts to resolve the problem.

D. Company-Provided Equipment: Customers who choose the Company-provided meter reading communication option shall pay a monthly Incremental Customer Communications Charge as set forth in a schedule provided by the Company. Company-provided communications will be used exclusively for meter reading functions.

E. Exceptions for Customers Smaller Than 50 kW: Notwithstanding the foregoing, customers who would otherwise receive service under S.C. No. 1 and S.C. No. 2 Non-Demand will not be required to install interval meters and as such will not be subject to any additional metering and communication charges. In addition customers who would otherwise receive service under S.C. No. 2 Demand, who have Standby Contract Demands less than 50 kW will have the option of taking service at either (i) the otherwise applicable demand rate and shall not be subject to any additional metering and communication charges under S.C.-7; or (ii) upon installation of required interval metering, the demand rate set forth under S.C.-7.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS

A. **Standby Demands Larger Than 1000 kW:** All customers with Standby Contract Demands greater than 1000 kW applying for Service under this Service Classification are required to provide the Company with an annual schedule of OSG maintenance by October of the preceding year for each subsequent year. This schedule will be provided at the time of subscription to this Service Classification and will be utilized for planning functions. Schedules must include starting and ending times for all planned outages. Customers will be allowed to update their schedules one month prior to their effective dates. After this time has passed, no modifications will be allowed to the schedules, unless Company approval is granted. This provision does not take precedence with respect to any OSG maintenance provision in a power purchase agreement which may be in place with the Company.

B. **SC-4 Customers:** Customers who would otherwise receive service under the provisions of Service Classification No. 4 shall have their demand measured on an integrated 30 minute basis, pursuant to the terms of that tariff.

C. **Compliance With Reliability Criteria:** Customer agrees to comply with any existing or future criteria, guidelines, and procedures established by the North American Electric Reliability Council (or its successor) to ensure the continued reliability of North America's interconnected secured transmission electric systems.

D. **Electrically Isolated Loads:** In the event that any customer elects to Electrically Isolate (as defined in Rule 1.48) some or all of the facilities at the Customer's Location and to thereafter serve such facilities with electricity from on-site generation without connection to the Company's system, the isolated portion of that customer's load will not be subject to S.C. No. 7 provided that the customer executes an agreement with the Company that provides for the following:

The Company will be entitled to inspect the electrical configuration of such facilities upon a customer's request for this exemption.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

D. (Continued)

If at any time, the Company has a reasonable suspicion that such facilities have not remained isolated from the Company's system, the Company is authorized to inspect the electrical configuration of such facilities.

If the Company discovers, through billing data and/or the inspection of the customer's facilities, that any of the facilities for which an isolation exemption had been applied have been reconnected to the Company's system, the Company will back bill the customer for the isolated load under S.C. No. 7 from the effective date of the customer's reconnection, including applicable interest and penalties. Such back billing will be computed in the same manner as described under Special Provision E.

E. **Penalties for Reconnecting Isolated Loads Without Notice:** Notwithstanding any other provision of this Tariff, in the event that the customer connects on-site generation to its electric system without: (1) notifying the Company; and (2) executing a Standby Service Application (Form G), and in the event that the Company thereafter discovers that fact, the Company shall back-bill the customer for all service rendered subsequent to the estimated installation of such on-site generation.

In preparing such back-bills, the Company shall assess a Standby Demand Penalty Provision equal to 2 times that which would otherwise be computed under Determination of Demand Provision of this Service Classification No. 7 and assume the Standby Contract Demand had been set at 0 kW. If the customer fails to pay the undisputed portion of any such back-bill within the time for payment of bills established in this S.C. No. 7, the Company shall be authorized to exercise all of its rights in cases involving theft of service, including without limitation its rights under Rule 13.3 (a)(2) of the Commission Rules and Rule 14.4 of this Tariff.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

F. Reduced Customer Charge for Certain Wholesale Generators

SC-7 customers who are Wholesale Generators who:

- (a) have a parent service classification of SC-3 or SC-3A and are served at the subtransmission or transmission voltage level and
- (b) have paid for all of their interconnection facilities as defined in the applicable filed interconnection agreement (or have arranged for payment by an entity other than the Company) and metering equipment, and pay the Company ongoing operation and maintenance costs for that equipment (or have arranged for payment by an entity other than the Company) shall pay a customer charge in lieu of the otherwise applicable customer charge, including the customer charge, CTC, equal to the following:

SC-3 Customer Charge

	<u>Sub-Transmission</u> <u>22-50 kV</u>	<u>Transmission</u> <u>Over 60 kV</u>
Delivery Voltage		
Distribution Delivery Charge:	\$172.82	\$186.62
Competitive Transition Charge		
All Load Zones	\$419.16	\$369.32

SC-3A Customer Charge

	<u>Sub-Transmission</u> <u>22-50 kV</u>	<u>Transmission</u> <u>Over 60 kV</u>
Delivery Voltage		
Distribution Delivery Charge:	\$436.07	\$988.00
Competitive Transition Charge		
All Load Zones	\$448.02	\$1,100.09

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

G. **Billing for Customers With OSG's Smaller Than 15% of Maximum Potential Demand:** Customers that install an OSG that is less than 15% of their maximum potential demand over the previous 12 months shall be subject to the delivery charges of this Service Classification No. 7 and the delivery charges of the otherwise applicable service classification. Standby service and the otherwise applicable service classification billing determinants shall be determined as follows:

(i) The Standby Service Billing Determinants:

The Standby Service Customer Charge shall be determined by multiplying SC-7 Customer Charge and the SC-7 Competitive Transition Customer Charge by the standby service ratio shown below.

The Standby Contract Demand shall be determined as the nameplate generating capacity of the OSG (in the case of multiple generators the Standby Contract Demand shall be determined as the sum of the nameplate generating capacities).

The As-Used Daily Demand shall be determined as the nameplate generating capacity of the OSG multiplied by the number of on-peak days in the billing period multiplied by the standby service ratio. The standby service ratio shall be defined as the quotient of the nameplate generating capacity divided by the maximum demand occurring over the last 12 billing periods.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

G. (Continued)

(ii) The Otherwise Applicable Billing Determinants:

The customer charge of the otherwise applicable service classification shall be reduced by the portion of the SC-7 Customer Charge excluding the SC-7 Competitive Transition Customer Charge determined in section (i) above.

The billing determinants of the otherwise applicable service classification shall be determined in accordance with the provisions of that otherwise applicable tariff and adjusted as follows:

Demand charges assessed on a maximum demand shall be reduced by the nameplate generating capacity of the OSG. In the case of customers that would otherwise receive service under SC-3A, the maximum demand (used for distribution delivery) and the maximum on-peak demand (used for the assessment of competitive transition charges) shall be reduced by the nameplate capacity of the OSG.

All energy under this Special Provisions shall be served under Rule No. 46 – Electricity Supply Cost with no application of Rule No. 29 – Delivery Charge Adjustment.

H. **Waiver of Reactive Demand Charges for Wholesale Generators Larger Than 25 MVA and With Automatic Voltage Control:** For customers who operate a Wholesale Generator in larger than 25 MVA and install automatic voltage control (AVC) at their facilities, reactive demand charges shall be waived, within the parameters defined by the Company during the period in which such AVC is operating and maintained in good working order. The Company shall not waive start-up reactive demand charges. The initial parameters will be determined by the Company and may be changed subject to system conditions and location of the generating unit. The waiver is subject to the Company's rights to periodically review and approve the customer's AVC system and review its operation and performance for compliance with the system requirements.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS: (Continued)

I. Individually Negotiated Contract Rates For Standby Electric Service

1. Purpose:

The Company will offer individually negotiated CTC discounted contracts for standby service to non-residential customers who can economically opt to isolate from the Company's system rather than pay full SC-7 rates.

2. Eligibility

Only non-residential, interval-metered SC-7 customers are eligible for individually negotiated rates.

A customer must demonstrate with reasonable certainty that, absent a contract that discounts the CTC, the customer is able to and would:

- (1) Economically install and operate on-site generation (OSG) for the purpose of self-supplied backup,
- (2) Disconnect from the Company's system and
- (3) Obtain all environmental permits necessary for the construction, installation, and operation of the on-site generation equipment.

In order to verify that a customer satisfies these requirements, the customer must provide the Company with all information necessary for the Company's evaluation of the proposed project including, but not limited to, the following information:

- (a) Form G and approval of on-site generation equipment specifications by a licensed professional engineer in New York State.
- (b) Equipment specification sheet for all on-site generation equipment to be installed that will enable the customer to disconnect from the Company's system. The sheet shall include, the type, size, and cost of the on-site generation equipment and any necessary auxiliary equipment, the heat rate (BTU/kWh) estimated annual O&M cost (\$ or \$/kWh), and maintenance schedule of equipment.
- (c) The cost of any modifications necessary to obtain environmental or OSHA permits and the cost of obtaining any necessary environmental permits and performing any necessary monthly inspections.
- (d) Natural gas acquisition (or alternative fuel) cost (\$/MMBTU) and contract terms.
- (e) Cost of equity, cost of debt and verification that customer is able to obtain financing without violating bond indentures, insurance restrictions or other limitations.
- (f) Verification of any grants obtained for the purchase or operation of equipment.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

**I. Individually Negotiated Contract Rates For Standby Electric Service
(Continued)**

2. Eligibility (Continued)

- (g) Verification that any necessary environmental or other permits can be obtained.
- (h) Corporate federal and state income tax rates.
- (i) Verification of all terms and conditions related to any performance contract that may be offered to the customer by any vendor or other contractor in connection with the customer's proposed project.

The Company will evaluate the information provided by the customer. The customer will be eligible for a CTC discount if the Company determines that the net present value of the customer's isolation project is more than the net present value of taking backup service from the Company under non-discounted SC-7 rates.

The Company will notify the customer of its decision within 60 days after the customer provides all the required information to the Company.

The Company has the sole discretion to determine whether to grant a CTC discount and, if so, in what amount. However, if a customer is not satisfied with the reasonableness of the Company's response and/or offer, the customer has the right to petition the Commission for a review of the matter, in accordance with the Commission's rules and procedures.

3. Standards for Individually Negotiated SC-7 Contracts

Customer Service Contracts A customer receiving a discount under this Special Provision I must execute a Customer Service Contract which specifies the terms and conditions of the agreement between the Company and customer. The Customer Service Contract shall be considered confidential.

Term The term of the Customer Service Contract shall be five (5) years or less. No Customer Service Contract shall extend beyond December 31, 2011. During the term of the Customer Service Contract, the customer will not have the right to isolate from the Company's system.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

**I. Individually Negotiated Contract Rates For Standby Electric Service
(Continued)**

3. Standards for Individually Negotiated SC-7 Contracts (Continued)

Pricing. Pricing shall consist of the SC-7 rates otherwise applicable to the customer except that the Competitive Transition Charge ("CTC") portion of the otherwise applicable SC-7 Rate will be reduced. The CTC reduction will be determined by the Company on a case-by-case basis according to the nature of the competitive situation. The final pricing arrangements between the Company and customer shall be included in the Customer Service Contract. Under no circumstances will the discount exceed 70% of the amount of the otherwise applicable CTC portion of the SC-7 Rate. Non-CTC SC-7 charges will not be discounted under any circumstances.

In the event that the customer

- (1) installs a new OSG; or
- (2) materially modifies its existing OSG,

such that the new OSG or modified OSG actually placed in-service varies materially in specification or size from the main generating capacity specified in the isolation study that substantiated the CTC discount, and such variation in specification or size also is material to the economic evaluation upon which the discount offered to the customer was based, then

any cost savings associated with the reduced scope or scale of the main generating capacity shall be the basis of an amendment to the agreement to increase the customer's CTC contribution.

However, in the event an amendment is not mutually agreed to between the parties, the Company will have the right to terminate the contract and the full service SC-7 rate shall apply retroactively to the date at which the actual operation of the main generating OSG varied from that specified in the study, subject to the customer's right to file a petition with Commission for a review of the matter.

The Company shall retain the right to inspect the OSG and premises upon reasonable notice to the customer.

Adjustments, Surcharges, and Tax Factors. Customers who receive discounts under an individually negotiated Customer Service Contract shall be subject to all adjustments, surcharges and tax factors that apply to customers who receive service under SC-7. There will be no discounts of applicable, adjustments, surcharges and tax factors.

Payment of Undisputed Bills. The Company shall include a provision in its Customer Service Contract that requires the customer to be current in its payment of all undisputed bills. The Company shall also require the customer to furnish a security deposit in accordance with rules and policies as a precondition to receive discounted service from the Company. Customers who have executed a deferred payment agreement with the Company consistent with Rule 26.9 - Deferred Payment Agreement "(DPA)" of this Tariff, and are in full compliance with the requirements of this DPA shall be eligible to receive service under this Special Provision I.

SERVICE CLASSIFICATION NO. 7 (Continued)

SPECIAL PROVISIONS:

J. Reduced Distribution Delivery Charges for Wholesale Generators Receiving Station Power Service from NYISO

SC-7 customers who are Wholesale Generators who:

- (a) are registered Customers of the New York Independent Station Operator ("NYISO") and
- (b) who are receiving Station Power under the provisions of the NYISO ISO Market Administration and Control Area Services Tariff

shall pay the following distribution delivery charges in lieu of the otherwise applicable distribution delivery charges:

SERVICE CLASSIFICATION NO. 3

MONTHLY RATE:

Contract Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$ 4.95	\$ 4.40	\$ 1.85	\$ 1.47

As-Used On-Peak Daily Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$0.1815	\$0.1274	\$0.0218	\$0.0236

SERVICE CLASSIFICATION NO. 3A

MONTHLY RATE:

As-Used On-Peak Daily Demand Charges, Per kW:

Delivery Voltage	<u>0-2.2 kV</u>	<u>2.2-15 kV</u>	<u>22-50 kV</u>	<u>Over 60 kV</u>
Distribution Delivery	\$0.1052	\$0.2051	\$0.0933	\$0.0608

SERVICE CLASSIFICATION NO. 7 (CONTINUED)

SPECIAL PROVISIONS:

K. Billing for Customers with EZR Load Not Separately Metered

1. Customers with EZR load not separately metered shall be required to install interval metering and telecommunications on their on-site generator(s) in accordance with the Metering and Communications/Incremental Customer Charge provisions of this Service Classification No. 7.
2. Only Customers billed at parent rate class SC-2D (50 kilowatts or greater), SC-3, and SC-3A are eligible to participate in the EZR program.
3. Special Provision G of this Service Classification No. 7 shall not apply to customers with EZR load.
4. The Customer's EZR demand and energy available for the EZR discount in each Billing Period shall be determined in accordance with Rule 34.3.3.3.2. Customer shall be subject to all rates and charges applicable to the Economic Development Zone Rider as provided in Rule 34.
5. Customer shall be subject to all charges provided in Service Classification No. 7. The billing determinants for customers with EZR qualifying load shall be determined as provided herein.
 - 5.1 Standby Contract Demand: The Standby Contract Demand shall initially be set by the Company as the maximum value of the Customer's monthly Base Year Contract Load in kilowatts specified in the signed EZR contract between the Company and the Customer per Rule 34.2.3.1.4 and Rule 34.3.3.3.1. The Standby Contract Demand will be automatically increased to the maximum kilowatt demand in a billing period when the maximum kilowatt demand in the billing period exceeds the Standby Contract Demand in that billing period. The maximum kilowatt demand in a billing period shall be calculated by subtracting the EZR incremental demand available for the EZR discount as determined in Rule 34.3.3.3.2 from the metered billing demand (i.e., customer's load net of generation) on an interval-by-interval basis. The demand shall not be less than zero (0) in any interval. The Customer may elect to increase or reduce the Standby Contract Demand thereafter in accordance with the Determination of Standby Contract Demand provisions of this Service Classification No. 7.
 - 5.2 As-Used Daily Demand: The As-Used Daily Demand shall be the As-Used Daily Demand as specified in Determination of As-Used Daily Demand provisions of this Service Classification No. 7 less the product of the demand eligible for the EZR discount in the billing period, as determined in Rule 34.3.3.3.2, and the number of on-peak days in the billing period.
 - 5.3 Billing Energy: Billing Energy in kilowatt-hours for the purposes of applying the Electricity Supply Service and Surcharges and Adjustments provisions of this Service Classification No. 7 shall be calculated by subtracting the EZR incremental energy available for the EZR discount as determined in Rule 34.3.3.3.2 from the metered billing energy (i.e., customer's load net of generation) on an interval-by-interval basis. The Billing Energy shall not be less than zero (0) in any interval.

SERVICE CLASSIFICATION NO. 7 (CONTINUED)

L. Limited Waiver of Competitive Transition Charge for Certain Combined Heat and Power Distributed Generation

1. Applicability:

Customers who:

- i) are not Wholesale Generators, and
- ii) have installed a combined heat and power distributed generation project on or after July 1, 2002, and
- iii) meet the qualifying criteria provided below,

will have demonstrated to the Company's satisfaction that their installed distributed generation located at the customer's Premise meets or exceeds an overall fuel efficiency standard of sixty percent (60%) with respect to the combined heat and power distributed generation, as described in this Special Provision L. Qualifying customers are eligible for a one hundred percent (100%) waiver to the otherwise applicable Competitive Transition Charge ("CTC") applicable to the Customer's Standby Contract Demand Charge under this Service Classification No. 7, as further provided in this Special Provision L.

2. Qualifying Criteria:

- 2.1 The nameplate capacity of customer's installed combined heat and power distributed generation must be in excess of 10 kW and greater than fifteen percent (15%) of customer's annual peak demand requirements as shown on Form G, and if multiple generators are located at a single Premise, this criteria shall be met based upon the sum of all the generators at the customer's Premise, excluding any emergency generators; and
- 2.2 With respect to customers who apply for and receive New York State Energy Research and Development Authority's ("NYSERDA's") Distributed Generation/Combined Heat and Power cost-share and/or incentives, these customers will submit a copy of their NYSERDA proposal or incentive application and the corresponding NYSERDA commitment/approval letter to the Company, and this documentation must demonstrate that their distributed generation project has an annual overall efficiency of not less than sixty percent (60%) based on the higher heating value ("HHV") of the fuel input, subject to an independent review as provided below; or
- 2.3 With respect to customers who have not and will not be applying for NYSERDA's Distributed Generation/Combined Heat and Power cost-share and/or incentives, these customers will complete and submit to the Company the latest form of NYSERDA Distributed Generation/Combined Heat and Power cost-share and/or incentive application and such application shall be certified by a licensed professional engineer in the State of New York. The submittal by the customer and certification by the licensed professional engineer must be satisfactory to the Company and demonstrate that the distributed generation project has an annual overall efficiency of not less than sixty percent (60%) based on the HHV of the fuel input, subject to an independent review as provided below.
- 2.4 The Company may require an independent review and certification of the customer's submission to the Company that is required above by a licensed professional engineer in New York State that is not affiliated or associated with the customer in any manner, the cost and expense of which shall be the responsibility of the customer.

SERVICE CLASSIFICATION NO. 7 (CONTINUED)

L. Limited Waiver of Competitive Transition Charge for Certain Combined Heat and Power Distributed Generation (Continued)

If a customer qualifies for a waiver of the CTC applicable to the customer's Standby Contract Demand Charge as provided above, the Company reserves the right to require subsequent verification, satisfactory to the Company, that the customer's generator(s) continues to meet or exceed the sixty percent (60%) fuel efficiency criteria. If the customer fails to provide the requested verification within forty-five (45) days of the Company's request or the generator(s) fails to meet the required criteria, then the customer shall no longer be eligible for the limited waiver of the CTC as provided in this Special Provision L.

This provision shall remain in effect until December 31, 2009; provided, however, that customers who qualify and receive service under this Special Provision L prior to December 31, 2009 shall continue to receive the limited waiver of the CTC applicable to the customer's Standby Contract Demand Charge through December 31, 2011.

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 442
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 8
LARGE GENERAL SERVICE-HOURLY INTEGRATED PRICING PROGRAM

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 443
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 9
LARGE GENERAL SERVICE-SUPPLEMENTAL HOURLY INTEGRATED PRICING PROGRAM

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 444
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 10
ON-SITE GENERATION BYPASS DEFERRAL SERVICE

CANCELED

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 445
REVISION: 0
SUPERSEDING REVISION:

**SERVICE CLASSIFICATION NO. 11
INDIVIDUALLY NEGOTIATED CONTRACT RATES**

ELIGIBILITY:

Service under this Service Classification No. 11 is closed to new applicants. The Company will honor its existing Customer Service Agreement for their remaining Terms. Customers served under this service classification as of October 10, 1997 who have a Customer Service Agreement with the Company which expires after September 1, 1998 may elect to continue to receive Electric Service under this service classification in accordance with the provisions of their S.C. No 11 Customer Service Agreement and Special Provision A of this service classification.

PURPOSE:

The Company previously offered this contract tariff agreement to respond to customer needs and the increasingly competitive forces in the energy services markets. This contract tariff was used by the Company as a vehicle for responding to competitive pricing situations including, but not limited to on-site generation, fuel switching, facility relocation, partial plant production shifting.

The Company shall administer this contract tariff in accordance with the Company's pricing guidelines which are specific to each form of retail electricity competition.

CHARACTER OF SERVICE:

Service shall be continuous and available throughout the Company's service area subject to the availability of metering and communication equipment. Service is for all purposes required by the customer on the customer's premises where such entire requirements are delivered at one Retail Delivery Point and are singly metered (with exceptions as noted in Rule 25.1.4.3). The Company shall determine the appropriate voltage delivery level at the customer's premises. Such delivery will occur at secondary (< 2.2 kV), primary (2.2 - 15 kV), subtransmission (22 - 50 kV), and transmission (>60 kV).

SERVICE OPTIONS:

Service Options will be as specified in the Customer Service Agreement.

SERVICE CLASSIFICATION NO. 11 (Continued)

CUSTOMER SERVICE AGREEMENT:

Customers receiving service under this service classification must have executed a Customer Service Agreement which specifies the terms and conditions of the contractual agreement between the Company and Customer.

The Customer Service Agreement shall be considered a confidential document pursuant to the terms of the agreement.

The Company shall include a provision in its Customer Service Agreements prohibiting the customer from reselling or otherwise furnishing any of the electricity provided pursuant to a Customer Service Agreement authorized by this rate schedule to any third party, regardless of whether such sale or furnishing would otherwise be authorized by Rule 8 of this Tariff.

SERVICE AGREEMENT TERM:

The contract term for any fixed price Customer Service Agreement shall not exceed seven years, unless a different contract term results from the application of Special Provision A.

PRICING OPTIONS:

Electricity pricing shall be determined on a case-by-case basis according to the nature of the competitive situation. The final pricing arrangements between the Company and customer shall be included in the Customer Service Agreement.

The floor price for service under this service classification shall be set according to the pricing guidelines as specified in the New York State Public Service Commission's Opinion & Order in Case 93-M-0229 and Case 94-E-0952 and as clarified in the Commission's Opinion and Order issued and effective February 16, 2001 in Case No. 00-E-1463.

INCREASE IN RATES AND CHARGES: The rates and charges under this service classification will be increased by a tax factor pursuant to Rule 32.

SERVICE ATTRIBUTES:

The Company may offer value-added services in conjunction with the Customer Service Agreement Term and pricing options. All service attributes agreed to between the Company and customer shall be included in the Customer Service Agreement.

ADJUSTMENTS AND SURCHARGES:

Unless specifically stated within the Customer Service Agreement, customers subscribing to this service classification shall be assessed all adjustments and surcharges of the otherwise applicable Standard Tariff Rate schedule, (standard service classification for which the customer would be eligible absent this contract tariff). All applicable surcharges which apply under this service classification shall be administered in accordance with the corresponding rules of this service classification.

The rates and charges under this service classification and all applicable surcharges, including System Benefits Charge, shall be increased by a tax factor in accordance with Rule 32.

SERVICE CLASSIFICATION NO. 11 (Continued)

TERMS OF PAYMENT:

Bills are due and payable when rendered. Full payment must be received on or before the date shown on the bill to avoid a late payment charge of one and one-half percent (1 1/2) pursuant to Rule 26.4.

SPECIAL PROVISIONS:

- A. **Extension of Contracts:** In the event that a Customer Service Agreement which was effective on or before October 10, 1997 and expires on or before August 31, 2003, such customer shall be qualified ("Qualifying Customer") to extend the provisions and pricing terms of its existing Customer Service Agreement with the Company through any calendar year prior to and including 2011.

Such contract extensions may occur under the following conditions:

1. Standard Customer Service Agreement Extension FOR QUALIFYING CUSTOMERS

In order to establish a contract extension under this Special Provision A, the customer must execute an amendment to its existing Customer Service Agreement as provided in Form H of this service classification. The Company must be in receipt of this executed Form H from the customer at least sixty (60) days prior to the Customer Service Agreement expiration date.

In the event that the customer does not provide the Company with a completed and unaltered Form H at least sixty (60) days prior to the Customer Service Agreement expiration date, the customer will not have the right to extend the provisions and pricing terms under its existing Customer Service Agreement under this Special Provision A and effective the first day following the S.C. No. 11 expiration date, the customer shall take electric service at its facility under the otherwise applicable service classification set forth in the Tariff.

Qualifying Customers who have previously executed a Form H amendment, will be provided an opportunity to extend the Agreement through any calendar year prior to and including 2011. Customers will be notified of their option to amend and extend their Agreement pursuant to the terms and conditions approved in Case 01-M-0075.

SERVICE CLASSIFICATION NO. 11 (Continued)

SPECIAL PROVISIONS: (Continued)

2. Special Provision For Customers With Customer Service Agreements Which Contain A Renewal Provision

Notwithstanding the foregoing, where an existing S.C. No. 11 contract was effective on or before October 10, 1997 and expires on or before August 31, 2003, and such Customer Service Agreement grants the customer a unilateral right to renew or extend that Customer Service Agreement, the customer has the right to:

- (i) extend the contract according to its terms, or
- (ii) extend the contract in accordance with Special Provision A (1) and (2) above. In the event the customer elects the Customer Service Agreement option to renew, upon expiration of the Customer Service Agreement at the end of the extended option term, the customer may extend the Customer Service Agreement as provided in this Special Provision A.

B. Customer's Options Under the Retail Access Program

In the event the customer is eligible to receive Electricity Supply Service under Rule 39, Retail Access Program, the Company will make available to the customer a pricing option to unbundle the Electricity Supply Service cost parameters of the customer's Customer Service Agreement. The customer shall thereafter be permitted to purchase Electricity Supply Service from the Company under the modified Customer Service Agreement or from an ESCo under the Company's unbundling proposal. In the event that the customer requests that the Company unbundle the pricing provisions of its Customer Service Agreement, the customer shall only be eligible to purchase Electricity Supply Service from the Company under the default option of the customer's otherwise applicable service classification's Standard Tariff Rates.

C. Electricity Supply Cost:

Unless otherwise explicitly provided for in the Customer Service Agreement, customers who take service from the Company under this Service Classification No. 11 shall have their Electricity Supply Service (in kWh) priced according to Rule 46, Electricity Supply Cost, as determined in accordance with the Load Area containing the Company's Retail Delivery Point.

Notwithstanding the foregoing, for customers served under this Service Classification No. 11 as of September 1, 1998 who entered into a Customer Service Agreement which was either fully executed or made effective on or before July 23, 1997, the Company shall price the customer's Electricity Supply Service in accordance with the Company's System Average Electricity Supply cost as provided for in Rule 46, Electricity Supply Cost, provided however, customers with Electricity Supply Service priced at the Company's System Average Price shall be provided with an opportunity to receive Electricity Supply Service in accordance with the terms and conditions approved in Case 01-M-0075.

SERVICE CLASSIFICATION NO. 11 (Continued)

D. Customers Contemplating the Installation of Distributed Generation:

Existing customers under Service Classification No. 11 who are considering the installation of distributed generation are encouraged to contact the Company and request a modification to their Customer Service Agreement to allow for a portion of their electric service to be served by the proposed distributed generation without breaching the Customer Service Agreement. The Company will agree to modify the Customer Service Agreement to allow for this self-supply and to remove references in the Customer Service Agreement that require the customer to receive its full requirements for electric service from the Company; provided, that any modification to the pricing terms to address the self supply proposal shall be satisfactory to the Company, in all respects. If the Customer rejects the Company's proposed modifications to the Customer Service Agreement, including the pricing terms, then the Customer shall not install the distributed generation and shall abide by the existing terms and conditions of their Customer Service Agreement.

**SERVICE CLASSIFICATION NO. 12
SPECIAL CONTRACT RATES**

PURPOSE:

Pursuant to the Settlement Agreement approved by the Commission in its Opinion and Order issued March 20, 1998 in Case Nos. 94-E-0098 and 94-E-0099, the Company is offering Electric Service under this Service Classification No. 12. The intent of this service classification is to address a broad range of competitive challenges within the Company's service territory using, to the maximum extent practicable, standardized eligibility criteria and pricing. This service classification shall be used by the Company as the exclusive vehicle for responding to the following competitive categories:

Retention:	On-site Generation, Fuel Switching, Revitalization, and Relocation.
Growth:	Business Attraction and Business Expansion

1. APPLICABILITY

Service under this Service Classification No. 12 is available to non-residential customers receiving or eligible to receive service under S.C. Nos. 2D, 3, 3A, and 4 provided that those customers meet the eligibility requirements established herein. Written application on the Company's prescribed forms and the execution by the duly authorized representatives and delivery by both the customer and the Company of a duplicate written Customer Service Agreement in contract form, Customer Service Agreement Form I, is also a prerequisite to service hereunder. Customers may only receive service under one of the programs provided in this service classification at any one time. Customers taking service under this Service Classification No. 12 are not eligible for Rule 34.2 Economic Development Rider. Customers may, however, receive service under this service classification while receiving a portion of their requirements under either Rule 34.4 (EDP) or Rule 34.5 (PFJR).

2. CHARACTER OF SERVICE

Service shall be continuous and available throughout the Company's service area subject to the availability of adequate metering and in appropriate cases communication equipment. Service is for all purposes for which electricity is required by the customer on the customer's premises where such requirements are delivered at one point and are metered with a single meter (with exceptions as noted in Rule 25.1.4.3 of the Tariff). The Company shall determine the appropriate voltage delivery level at the customer's premises. Such delivery may occur at secondary (<2.2 kV), primary (2.2 -15 kV), subtransmission (22-50 kV), or transmission (>60 kV). All service is at 60 Hertz nominal.

3. DEFINITIONS

The following definitions shall apply to service provided under this Service Classification SC-12:

- 3.1 Affiliated Customer: A customer that either directly or indirectly owns, is owned by, or is under common ownership with other customers receiving Electric Service from the Company.

SERVICE CLASSIFICATION NO. 12 (Continued)

3. DEFINITIONS (Continued)

3.2 Contestable Customer: A customer that:

- (a) has a financially viable competitive alternative for all or part of its present or future loads supplied by the Company at Standard Tariff Rates, including the option to forego the construction or installation of new facilities or equipment; and
- (b) is reasonably expected by the Company, in its sole judgement, to select this alternative if the Company does not provide an economically attractive contract offer; and
- (c) is reasonably expected by the Company to provide greater net revenues to the Company pursuant to a Customer Service Agreement authorized by this service classification, than it would in the absence of this service classification.

3.3 Manufacturing Customer: A customer with a North American Industry Classification System (NAICS) code of 31, 32 or 33. NAICS codes will be assigned according to the activity at the facility in the Company's service territory.

3.4 Energy Intensive Manufacturing Customer: A customer with an NAICS code of 311 (food manufacturing), 326 (rubber and plastics), 332 (metal fabrication), 334 or 335 (electronics) or 336 (transportation equipment). NAICS codes will be assigned according to the activity at the facility in the Company's service territory.

3.5 Service Sector Customer: A customer that has an NAICS code of 42 (wholesale trade), 493 (regional warehousing or storage), 541 (professional, scientific or technical services) or 561 (administrative or support services) or 812921 (Photofinishing Laboratories, except one hour). NAICS codes will be assigned according to the activity at the facility in the Company's service territory.

3.6 Qualifying Customer: A customer qualifying for service under this Service Classification No.12 by meeting the requirements of Section 4 of this service classification.

3.7 Standard Tariff Rates: The standard rate provisions of rate schedules SC-2D, SC-3, SC-3A, SC-4, and SC-7, either before or after retail access as appropriate.

3.8 September 1, 1998: The effective date of the Company's tariff amendments in response to the Commission's Opinion and Order dated March 20, 1998, in Case Nos. 94-E-0098 and 94-E-0099.

3.9 Power Choice Term: The 60-month period immediately following September 1, 1998.

SERVICE CLASSIFICATION NO. 12 (Continued)

3. DEFINITIONS CONT'D.

- 3.10 Contestable Load: The portion of a Contestable Customer's electric load served or which could be served by the Company in kW and kWh that is identified as presenting a competitive challenge or opportunity to the Company and may be eligible to receive discounted service under this service classification.
- 3.11 Non-Contestable Load: The amount of load in kW and kWh served by the Company which the Company determines is not subject to the competitive challenge which forms the basis of the Company's decision to extend discounted rates to the customer.
- 3.12 Expired Program Definition - Reserved for Future Use
- 3.13 Minimum Quantities: The quantities in kW and kWh which are determined to be Contestable Load but serve as the basis for determining the Minimum Bill (where applicable).
- 3.14 Minimum Bill: The minimum amount due and payable regardless of actual electricity consumption. The Minimum Bill is program specific.
- 3.15 Competitive Transition Charge on Energy (C.T.C. per kWh): Customers eligible for discounted service under Section 4 of this S.C. No. 12 shall receive discounted service solely to the C.T.C per kWh. For customers who are eligible for retail access, the Company shall determine this charge by subtracting the Electricity Supply Cost as determined in accordance with Rule 46-Electricity Supply Cost, and Section 8 of this service classification, from the bundled energy rate of the Standard Tariff Rate Schedule. Once customers have received retail access, the discount shall apply to the C.T.C. per kWh of the first block's unbundled energy rate applicable to the Standard Tariff Rate Schedule.
- 3.16 SC-12 Contract Load Quantities: The quantity thresholds (expressed in kW and kWh) which must be exceeded in order to be eligible for discounted service under the Revitalization, Relocation, and Business Expansion programs as specified in 4.3, 4.4, and 4.6, respectively. The SC-12 Contract Load Quantities represent historic usage in the 12 months prior to subscription under these programs, and in the case of Business Expansion, is adjusted to reflect a customer's election as specified in 4.6.2. When in the Company's determination, the billing determinants associated with the historic usage in the 12 months prior to subscription under these programs are not representative of the customer's operations, the Company reserves the right to assign appropriate billing units to that customer.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. **PROGRAM ELIGIBILITY**

In order to receive discounted service for part or all of its loads pursuant to Sections 5 or 6 of this Service Classification No. 12, a customer must first satisfy the eligibility requirements for one of the programs described below. Once the customer has been found to be eligible to receive service under Service Classification No. 12 pursuant to this Section 4, its rates will be determined as provided by Sections 5 or 6 of this service classification, provided however that no customer receiving EDP or HLFF Power from NYPA on or before May 22, 1997 shall be eligible to receive discounted service from the Company under this Service Classification No.12 for that portion of its demand for electric service served or eligible to be served under the terms of an allocation agreement between the customer and NYPA in effect on that date, prior to November 1, 1998. Qualifying Customers shall execute service agreements under this rate schedule with the Company as provided for in Section 5.1.

- 4.1 **Retention: On-Site Generation:** Customers meeting the following requirements shall be eligible for discounted rates for part or all of their loads designed to respond to the competitive challenge of on-site generation:

- 4.1.1 The customer must receive electric service from the Company under rate schedule SC-2D, SC-3, SC-3A, SC-4 or SC-7; and
- 4.1.2 The customer must demonstrate to the Company's satisfaction that the customer's on-site generation alternatives make it a Contestable Customer.

- 4.2 **Retention: Fuel Switching.** Customers meeting the following requirements shall be eligible for discounted rates for part or all of their loads designed to respond to the competitive challenge of fuel switching:

- 4.2.1 The customer must receive electric service from the Company under rate schedule SC-2D, SC-3, SC-3A or SC-4; and
- 4.2.2 The customer must demonstrate to the Company's satisfaction that the customer's fuel switching alternatives make it a Contestable Customer.

- 4.3 **Retention: Revitalization.**

- 4.3.1. Eligibility Criteria:

Existing customers meeting the following requirements shall be eligible for discounted rates for part or all of their loads designed to respond to the competitive challenge of business closure due to financial distress:

- 4.3.1.1 The customer must be a Manufacturing Customer as defined in Section 3.3; and
- 4.3.1.2 The customer must receive electric service from the Company under rate schedule SC-3, SC-3A or SC-4; and

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.3 Retention: Revitalization (Continued)

- 4.3.1.3 The customer must have a monthly peak metered Company demand in at least one of the preceding twelve months for electric service in excess of 500 kW; and
- 4.3.1.4 The customer must have been in business at that location for at least (7) seven consecutive years; and
- 4.3.1.5 The customer must meet the financial distress requirements of Section 4.3.2 of this service classification; and
- 4.3.1.6 The customer must submit a revitalization plan meeting the requirements of section 4.3.3 of this service classification.

4.3.2 Demonstration of Financial Distress

In order to qualify for a revitalization discount, the customer must provide the Company with persuasive documentary evidence that it is experiencing long-term financial distress and not simply a short term problem due to market conditions or the business cycle. The information required to make this showing must include:

- 4.3.2.1 Audited financial statements (balance sheet, income statement and notes to the financial statements) for the specific facility, and for the company (if different), for the latest three fiscal years subject to the provisions in this Section No. 4.3.2.1. If customer does not have audited financial statements for the specific facility because such audited financials are not prepared in the customer's normal course of business, then unaudited financial statements will be prepared for the specific facility. All financial statements delivered to the Company shall be accompanied by a certification of the Chief Financial Officer of the parent company or the appropriate company division, as applicable, to the effect that the financial statements comply with generally accepted accounting principles, consistently applied; and
- 4.3.2.2 Statements of sources and uses of funds for the customer's three most recent fiscal years for the facility in question. This information must be submitted on a standard form of the Company's design; and
- 4.3.2.3 Such other information as the customer may wish to provide to the Company to support its claims of financial distress.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.3.3 Revitalization Plan

In addition to meeting the financial distress requirements of Section 4.3.2, the customer must provide the Company with a Revitalization Plan meeting the following requirements:

- 4.3.3.1 The applicant must identify specific non-energy cost reductions equal to a minimum of 75 percent of the most recent 12 month's electric bills priced at the effective Standard Tariff Rates. These reductions may be either actual or planned, and must be quantifiable on an ongoing basis for the full five year term.
- 4.3.3.2 The customer must develop and present for Company approval a detailed revitalization plan which, if fully implemented, would return the facility to profitability within five years. The revitalization plan must include, but not be limited to, the following items;
 - (a) A summary of the customer's current business position within the customer's industry which assesses its strengths and weaknesses.
 - (b) A listing of the customer's prime competitors, and assessment of their relative strengths and weaknesses.
 - (c) Details indicating the applicant's management and ownership structure(s).

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.3 Retention: Revitalization (Continued)

4.3.3 Revitalization Plan (Continued)

4.3.3.2 Demonstration of Financial Distress (Continued)

- (d) An outline of reductions in business costs and increases in operating efficiencies. The outline may include, but not be limited to, the following items:
 - (i) renegotiations with raw material, subcomponent and/or service suppliers;
 - (ii) a plan developed jointly by labor and management that addresses the issues of unit product cost reductions and productivity;
 - (iii) local and/or state concessions on taxes;
 - (iv) discontinuance of non-profitable products and development of new products;
 - (v) cash flow improvement;
 - (vi) restructuring of short and long term debt;
 - (vii) capital savings through low cost loans;
 - (viii) increased operating efficiencies through:
 - 1. improved process technologies
 - 2. an employee retraining plan; and
 - 3. reduced energy usage
 - (ix) marketing-related initiatives
- (e) The customer shall demonstrate that it has the support and the participation of other key stakeholders in its business survival, such as the labor force and state/local government.
- (f) The revitalization plan must include pro forma (for 5 years) sources and uses of funds statements submitted on a standard form of the Company's design. The pro forma data again will be analyzed to ensure that the planned cost reduction and revitalization plan will in fact return the facility to a non-distressed state within the five-year program term.
- (g) The plan shall include annual quantitative sales, market share, profit and service level goals.
- (h) The financial data and revitalization plan shall be updated annually, but such updates shall not be used to disqualify a customer from continuing to receive service under this agreement.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.3 Retention: Revitalization (Continued)

4.3.3 Revitalization Plan (Continued)

4.3.3.2 Demonstration of Financial Distress (Continued)

- (i) The information presented in the applicant's revitalization plan must be detailed in writing, in form and content satisfactory to the Company. The Company reserves the right to request additional information from the applicant concerning the revitalization plan. The plan should be certified to the Company by the applicant's operational and financial management.
- (j) A copy of the revitalization plan will be made available to the New York State Empire State Development Corporation (ESD), and the Company will solicit and consider ESD input on each application.

4.4 Retention: Relocation

4.4.1 Eligibility Criteria: Customers meeting the following eligibility requirements shall be eligible for discounted rates for all or part of their loads designed to respond to the competitive challenge of relocation of economic activity to other facilities not served by the Company.

- 4.4.1.1 The customer must be a Manufacturing Customer or a Service Sector Customer as defined in Sections 3.3 and 3.5; and
- 4.4.1.2 The customer must receive electric service from the Company under rate schedule SC-3, SC-3A or SC-4; and
- 4.4.1.3 The customer must have an average monthly metered Company electric demand exceeding 500 kW in the preceding twelve months, and
- 4.4.1.4 The customer must demonstrate to the Company's satisfaction that the customers relocation alternatives make it a Contestable Customer as provided in Section 4.4.2 of this service classification; and
- 4.4.1.5 The customer must demonstrate substantial public sector involvement in encouraging it to forego its relocation alternatives as provided in Section 4.4.3 of this service classification.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.4 Retention: Relocation (Continued)

4.4.2 Demonstration of Relocation Challenge: In order to receive a reduced rate under this service classification, the customer must demonstrate that relocation of part or all of its activities from the facility served by the Company to other facilities not served by the Company is economically viable. To make this showing, the customer will be required to provide the Company with the following written documentation:

4.4.2.1 Audited financial statements (balance sheet, income statement and notes to the financial statements) for the specific facility, and for the company (if different), for the latest three fiscal years, subject to the provisions in this Section No. 4.4.2.1. If customer does not have audited financial statements for the specific facility because such audited financials are not prepared in the customer's normal course of business, then unaudited financial statements will be prepared for the specific facility. All financial statements delivered to the Company shall be accompanied by a certification the Chief Financial Officer of the parent company or the appropriate company division, as applicable, to the effect that the financial statements comply with generally accepted accounting principles, consistently applied; and

4.4.2.2 Statements of sources and uses of funds for the customer's three most recent fiscal years for the facility evaluating relocation. This information must be submitted on a standard form of the Company's design; and

4.4.2.3 Detailed estimates of the potential savings associated with relocation to the targeted location. This information must be submitted on a standard form of the Company's design.

4.4.3 Demonstration of Public Sector Involvement: In recognition of the fact that electricity cost by itself is seldom the only factor driving a relocation challenge, an SC-12 discount must be part of a comprehensive competitiveness plan which will include state and/or local incentives or concessions that are not available "as of right", and are designed with the goal of retaining the business. Economic development incentives may be provided by the public, private, or quasi governmental sector or public-private partnerships. Incentives or concessions related to standardized discount rates must include at least two of the following types of "cash" inducements:

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.4 Retention: Relocation (Continued)

4.4.3 Demonstration of Public Sector Involvement (Continued)

- a. skills training grants,
- b. benefits associated with public financing, low-interest loans, and interest rate subsidies,
- c. productivity improvement grants,
- d. infrastructure grants,
- e. the foregone tax revenues associated with property tax abatements or a property tax freeze,
- f. feasibility study grants,
- g. reductions in charges for water and sewer services,
- h. labor union concessions, and
- i. the benefit of Retention related Power For Jobs allocations.

4.4.3.1 In order to be eligible for a standardized discount under this Section 4.4.3, the value of the package must represent the lesser of:

- (1) at least 50 percent of the customer's most recent 12 month electricity bills priced at the effective Standard Tariff Rates, or
- (2) two million dollars, or
- (3) \$2,500.00 in state assistance per job retained.

4.4.3.2 Any potential electric discounts must be in relation to, and appropriate, given the customer's variable cost structure and the other key factors in retaining the facility in the Company's Service Territory.

4.4.3.3 Once a Customer has met all of the requirements of Section 4.4, the Company will present an executable S.C. No. 12 Service Agreement to the qualified Customer within 5 business days of the date on which the comprehensive competitiveness plan, inclusive of the economic development incentives, has been quantified and committed by state and local incentive providers.

- 4.5 Growth: Business Attraction.** This program is designed to respond to the competitive challenge of a prospective customer having the ability to locate new facilities in the service territories of other utilities, or to forego the construction of new facilities in the Company's service territory. Prospective customers meeting the following requirements shall be eligible for discounted rates for all of their loads.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.5 Growth: Business Attraction (Continued)

- 4.5.1 The prospective customer must bring a new business to the Company's service territory; and
- 4.5.2 The prospective customer must be a new customer as defined in Rule 1.5.1 of the Tariff and must not be an Affiliated Customer with respect to any existing customer in the Company's service territory; and
- 4.5.3 The prospective customer's loads at the new facilities must be eligible for service under rate schedule SC-2D, SC-3, SC-3A or SC-4; and
- 4.5.4 The prospective customer must demonstrate to the Company's satisfaction that the customer's ability to locate the new facility in the service territory of other utilities, or to forego construction of that facility in the Company's service territory, makes it a Contestable Customer.
- 4.5.5 The prospective customer may be required by the Company to demonstrate that it has undertaken reasonable efforts to participate or be involved in economic development programs offered by the New York Power Authority ("NYPA"), the New York State Energy Research and Development Authority ("NYSERDA"), the Empire State Development Corporation ("ESD"), and other state and local programs for which it may be eligible.

4.6 Growth: Business Expansion

- 4.6.1 **Eligibility Criteria:** This program is designed to respond to the competitive challenge that a business expansion either could occur at a customer's facility served by the Company, could occur at facilities served by other utilities, or could fail to occur at all. Customers shall be eligible for discounted rates for part or all of their loads if they meet all of the eligibility requirements specified below:

4.6.1.1 The customer must be a Manufacturing or Service Sector Customer, as defined in Section 3.3 and 3.5, or an Affiliated Customers as defined in Section 3.1 who is also a Manufacturing or Service Sector Customer, as defined in Section 3.3 and 3.5; and

4.6.1.2 The customer must commit to increase its usage of electricity as described in Section 4.6.2 of this service classification; and

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.6.1.3 The customer must receive electric service from the Company under rate schedule SC-2D, SC-3, SC-3A or SC-4; or, in the Company's opinion, the customer would be eligible for electric service under one of these service classifications at either its existing or at a new facility in the Company's service territory after the proposed business expansion occurs; and

4.6.1.4 The customer must have an average existing monthly Company peak demand of 25 kW or more in the preceding twelve months; or, in the Company's opinion the average monthly peak demand will (i) increase to 25 kW or more annually at an existing facility or (ii) be at least 25 kW or more annually at a new facility, after the business expansion occurs; and

4.6.1.5 The customer must demonstrate to the Company's satisfaction that the customer's ability to expand its operations at a facility in the service territory of another utility, or to forego the expansion in the Company's service territory makes it a Contestable Customer.

4.6.1.6 The customer may be required by the Company to demonstrate that it has undertaken reasonable efforts to participate or be involved in economic development programs offered by the New York Power Authority ("NYPA"), the New York State Energy Research and Development Authority ("NYSERDA"), the Empire State Development Corporation ("ESD"), and other state and local programs for which it may be eligible.

4.6.2 SC-12 Contract Load Quantities: Customer must commit to an overall increase in the historic SC-12 Contract Load Quantities, as defined in Section 3.16, which represents a permanent physical expansion (in kW) or increased energy utilization (in kWh). Any discount under the Business Expansion Program shall be calculated on the load that exceeds the SC-12 Contract Load Quantities as established in either 4.6.2.1, 4.6.2.2 or 4.6.2.3 below:

4.6.2.1 Permanent Physical Expansion: Customers who elect this option shall establish SC-12 Contract Load Quantities which represent an increase in the customer's historic monthly demand (in kW) in each of the preceding twelve months by the lesser of ten percent (10%) or 100 kW per month over the kW levels established in Section 3.16. Customers must also agree to use at least as much electric energy (in kWh) as established in Section 3.16. The SC-12 Contract Load Quantities (expressed in kW and kWh) shall be specified in the Customer Service Agreement

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.6.2.2 Increase in Electric Utilization (kWh): Customers who elect this option shall establish SC-12 Contract Load Quantities which represent an increase in the customer's historic electricity utilization (measured in kWh) in each of the preceding twelve months by the lesser of ten (10) percent or 6500 kWh over kWh levels established in Section 3.16. Customers must also agree to use at least the same level of demand (in kW) as established in accordance with Section 3.16. SC-12 Contract Load Quantities (expressed in kW and kWh) shall be specified in the Customer Service Agreement.

4.6.2.3 Affiliated Manufacturing and Affiliated Service Sector Customers or Expansion at New Facilities: Affiliated Manufacturing Customers and Affiliated Service Sector Customers who take service under the Business Expansion program, or business expansions occurring at new facilities by existing customers will be assigned SC-12 Contract Load Quantities (expressed in kW and kWh) equal to zero (0) and Sections 4.6.2.1 and 4.6.2.2 above shall not apply. These quantities shall be specified in the Customer Service Agreement. In such Business Expansion cases, the Company reserves the right to adjust the SC-12 Contract Load Quantities, at any time, when in the Company's opinion, the customer or the Affiliated Customer is shifting load from existing locations to the new location.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.6 Growth: Business Expansion (Continued)

- 4.6.2.4 Although customers served under the Business Expansion program will not be penalized if the SC-12 Contract Load Quantities calculated above and memorialized in their respective Customer Service Agreements are not met, benefits under the Business Expansion program will only be realized when a customer's actual consumption (in kW and kWh) is in excess of the SC-12 Contract Load Quantities set forth in the Customer Service Agreement in each billing period.

- 4.7 Customers Receiving a Portion of their Requirements from NYPA:** Customers receiving a portion of their requirements from NYPA shall be considered Contestable Customers and are eligible for electric service under Section 5.1.3 of this S.C. No. 12.

4.8 Targeted Financial Incentives Program

4.8.1 Eligibility Criteria:

Pursuant to the Joint Proposal in Case No. 01-M-0075, issued and effective December 3, 2001 and Order Adopting Economic Development Plan, issued and effective October 24, 2002, as corrected in an Errata Notice issued November 13, 2002, customers meeting the following criteria shall be eligible for targeted rate discounts and other financial assistance which may be utilized in conjunction with the above programs. Eligible customers must be defined as a Contestable Customer as defined in Rule 3.2 of this Tariff. New or existing customers must demonstrate to the Company a viable competitive opportunity or challenge as described in this Service Classification. Eligible customers must also demonstrate to the Company that energy costs are an important factor in the creation or retention of jobs in the Company's service territory and must be considered "energy intensive" based on at least one of the following tests:

- 4.8.1.1 Customer shall impose or is likely to impose monthly electric metered peak demands in excess of 5,000 kW; or
4.8.1.2 Customer shall have an average monthly load factor of at least seventy (70) percent; or
4.8.1.3 Customer's annual electricity bills represent at least eight (8) percent of the facility's annual gross revenue from sales.

SERVICE CLASSIFICATION NO. 12 (Continued)

4. PROGRAM ELIGIBILITY (Continued)

4.8 Targeted Financial Incentives Program (Continued)

4.8.2 Program Details

- 4.8.2.1 Discount terms are limited to a maximum of three (3) years and are non-renewable.
- 4.8.2.2 Maximum incentives are \$250,000 per qualifying customer in any year and not to exceed a total of \$500,000 per qualifying customer.
- 4.8.2.3 Discounted electric delivery prices may not be lower than the effective Empire Zone Rider prices contained in Rule 34 of the General Electric Tariff.

- 4.8.3 If customers are eligible for this Targeted Financial Incentives Program based on the criteria in 4.8.1 and 4.8.2 above, financial incentive amounts will be limited based on the number of jobs retained or created by the customer, as follows:

<u>Jobs Created or Retained</u>	<u>Total Available Funding Not to Exceed</u>
0-99	\$100,000
100-199	\$250,000
200-299	\$350,000
300 and above	\$500,000

- 4.8.4 Company has the sole responsibility for selecting grant recipients. The information contained in the customer's application or in any supporting documentation provided by the customer, and information gathered during the course of any site visit made by an authorized Company employee, will be used to evaluate the customer's proposed project. An incomplete application will be denied program funding. Company has the right to conduct pre-installation and post-installation site visits as a requirement for release of program funds. The Company has the right to withhold or terminate funding if customer is in arrears on their current account.

- 4.8.5 This Rule 4.8 is applicable for the term of the Joint proposal as approved by the Commission in Case No. 01-M-0075. Accordingly, this Rule will expire December 31, 2011.

SERVICE CLASSIFICATION NO. 12 (Continued)

5. INDIVIDUALLY NEGOTIATED RATES

5.1 Eligibility Criteria for Individually Negotiated Rates: Qualifying Customers shall individually negotiate their rates and Customer Service Agreements under this service classification with the Company if they meet the additional requirements of this Section 5:

5.1.1 Retention: On Site Generation and Fuel Switching. All Qualifying Customers demonstrating that the on-site generation and fuel switching alternatives available to them make them Contestable Customers shall individually negotiate rates and Customer Service Agreements with the Company designed to respond to their demonstrated on-site generation and fuel switching alternatives.

5.1.2 Manufacturing and Service Sector Customers: Qualifying Manufacturing and Service Sector Customers not meeting the requirements of Sections 5.1.1 or 5.1.3 of this Service Classification No.12 shall individually negotiate Customer Service Agreements with the Company designed to respond to the demonstrated competitive alternatives for which they qualify for service under this Service Classification SC-12 where any one of the following tests is satisfied:

- 5.1.2.1 The Qualifying Manufacturing or Service Sector Customer imposes or in the Company's opinion is likely to impose monthly electric metered peak demands on the Company in excess of 5,000 kW; or
- 5.1.2.2 The Qualifying Manufacturing or Service Sector Customer has an average monthly load factor or in the Company's opinion is likely to impose an average load factor of at least 70 percent; or
- 5.1.2.3 The Qualifying Manufacturing or Service Sector Customer demonstrates that annual electric bills rendered to its facility paid to the Company represent at least 8 percent of the facility's annual gross revenues from sales; or
- 5.1.2.4 The Qualifying Manufacturing or Service Sector Customer currently employs 300 or more workers; or
- 5.1.2.5 The Qualifying Manufacturing Customer is in the Paper/Paperboard Manufacturing (NAICS Code 3221), Chemicals Manufacturing (NAICS Code 325), Non-Metallic Mineral Products (NAICS Code 327), or Primary Metal Manufacturing (NAICS Code 331) industries.

SERVICE CLASSIFICATION NO. 12 (Continued)

5. INDIVIDUALLY NEGOTIATED RATES (Continued)

5.1 Eligibility Criteria for Individually Negotiated Rates (Continued)

5.1.2 Manufacturing and Service Customers (Continued)

5.1.2.6 The Qualifying Service Customers shall be defined according to Section 3.5 of this Service Classification No. 12.

5.1.3 Qualifying Customers Receiving a Portion of their Requirements from NYPA: At the Company's option, Qualifying Customers receiving a portion of their requirements from NYPA shall individually negotiate rates and Customer Service Agreements with the Company designed to respond to the demonstrated competitive alternatives for which they qualify for service under this rate schedule SC-12 subject to the requirements of Section 4 of this service classification. In negotiating such rates and Customer Service Agreements, the Company may at its option agree to permit the customer to receive any electricity supplied to it by NYPA on a "first through the meter basis", provided that the Company shall consider the benefit conferred on the customer by such an option in determining the rates it is willing to offer to the customer.

5.2 Standards for Individually Negotiated Rate Agreements:

5.2.1 Negotiating Standards: In cases where individual negotiation of rates and Customer Service Agreements is authorized by Section 5.1 of this Service Classification No.12, the Company will negotiate on a case-by-case basis in a manner consistent with the New York State Public Service Commission's Opinion Nos. 96-12 and 94-15 and the Order and attached Guidelines issued April 14, 2005 in Case No. 03-E-1761.

SERVICE CLASSIFICATION NO. 12 (Continued)

5. INDIVIDUALLY NEGOTIATED RATES (Continued)

5.2 Standards for Individually Negotiated Rate Agreements (Continued)

- 5.2.2 Term:** Except as provided in this Section 5.2.2, no individually negotiated Customer Service Agreements establishing fixed rates for electric service shall have a term in excess of five (5) years. If a customer desires a fixed price contract with a term in excess of five (5) years and the Company is willing to agree to this arrangement, the Company will request authorization from the New York State Public Service Commission to enter into that arrangement. If the Commission grants the Company the authority it requests on terms acceptable to the Company, the Company will then enter into the agreement.
- 5.2.3 Adjustments and Surcharges:** Unless otherwise specified in the Customer's Service Agreement, customers receiving individually negotiated rates and Customer Service Agreements pursuant to this Service Classification No.12 shall be subject to all adjustments and surcharges that would have applied to the customer if it had received non-discounted service under the service classification otherwise applicable to the customer's usage and these surcharges shall be specified in the negotiated Customer Service Agreement. All such adjustments and surcharges shall be determined in accordance with the corresponding rules of the standard tariffs and shall be increased by a tax factor in accordance with Rule 32.
- 5.2.4 Filing Requirements:** The Company shall file information concerning each individually negotiated Customer Service Agreement required by the New York State Public Service Commission in its Order and attached Guidelines dated April 14, 2005 in Case No. 03-E-1761 within 30 days of the execution of that Customer Service Agreement.

SERVICE CLASSIFICATION NO. 12 (Continued)

5. INDIVIDUALLY NEGOTIATED RATES (Continued)

5.2 Standards for Individually Negotiated Rate Agreements (Continued)

- 5.2.5 Payment of Undisputed Bills:** The Company shall include a provision in its Customer Service Agreements requiring the customer to be current in its payment of all undisputed bills, and which may require the customer to furnish a security deposit in the amount that the Company would otherwise be authorized to require under Commission rules as a precondition to receiving any discounted service by the Company. Customers who have executed a deferred payment agreement with the Company consistent with Rule 26.9 - Deferred Payment Agreement (DPA) for Non-Residential customers of this Tariff, and are in full compliance with the requirements of this DPA shall be eligible to receive service under this Section 5 of S.C. No. 12.
- 5.2.6 Resales Prohibited:** The Company shall include a provision in its Customer Service Agreements prohibiting the customer from reselling or otherwise furnishing any of the electricity provided pursuant to a Customer Service Agreement authorized by this service classification to any third party, regardless of whether such sale or furnishing would otherwise be authorized by Rule 8 of this Tariff.
- 5.2.7 Customer's Options Under Retail Access:** In the event the customer is eligible to receive Electricity Supply Service under Rule 39, Retail Access Program, the Company will make available to the customer a pricing option to unbundle the Electricity Supply Service cost parameters of the customer's Customer Service Agreement. The customer shall thereafter be permitted to purchase Electricity Supply Service from the Company under the modified Customer Service Agreement or from an ESCo under the Company's unbundling proposal. In the event that the customer requests that the Company unbundle the pricing provisions of its Customer Service Agreement, the customer shall only be eligible to purchase Electricity Supply Service from the Company under the default option of the customer's otherwise applicable service classifications Standard Tariff Rates.
- 5.2.8 Increase in Rates and Charges:** The rates and charges under Section 5 of this service classification will be increased by a tax factor pursuant to Rule 32.

6. STANDARDIZED DISCOUNT RATES

Qualifying Customers that do not fall within any of the categories of customers required to individually negotiate their rates and Customer Service Agreements with the Company pursuant to Section 5 of this Service Classification No.12 shall receive the applicable standardized discount percentages established in Section 6.3 of this Service Classification No.12 applied to their charges for electric service as provided in Section 6.1 of this service classification.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES

- 6.1 Application of Discounts:** Customers served under Section 6 of this SC-12 shall pay the Customer, Demand, and Reactive Power Demand charges, in addition to any applicable C.T.C. charges, set according to the otherwise applicable Standard Tariff Rate Schedule. Customers served under Section 6 of this SC-12 shall also pay for Electricity Supply Cost as specified in accordance with Section 8 of this service classification and Rule 46-Electricity Supply Cost. The discounts under this SC-12 shall be administered on a targeted basis, applied to the C.T.C. per kWh charge. The determination of the C.T.C. per kWh shall be determined as follows:

6.1.1 Determination of C.T.C. per kWh Before Implementation of Retail Access: Prior to the implementation of retail access, the C.T.C. per kWh shall be determined by subtracting the Customer's Electricity Supply Service, as specified in accordance with Section 8 of this service classification and Rule 46-Electricity Supply Cost, from the qualifying SC-12 customer's otherwise applicable Standard Tariff energy rate. In cases where the SC-12 customer's otherwise applicable Standard Tariff energy rate includes blocked rate structures, the discount shall be calculated using the first block's energy rate and administered according to the provisions specified in Form I.

6.1.2 Determination of C.T.C. per kWh After Implementation of Retail Access: Following the implementation of retail access, the C.T.C. per kWh shall be determined according to the qualifying SC-12 customer's otherwise applicable Standard Tariff unbundled C.T.C. per kWh charge. In cases where the SC-12 customer's otherwise applicable Standard Tariff energy rate includes blocked rate structures, the discount shall be calculated using the first block's C.T.C. per kWh charge and administered according to the provisions specified in Form I.

6.1.3 Customer's Options Under Retail Access: In the event the customer is eligible to receive Electricity Supply Service under Rule 39, Retail Access Program, the Company will make available to the customer a pricing option to unbundle the Electricity Supply Service cost parameters of the customer's Customer Service Agreement. The customer shall thereafter be permitted to purchase Electricity Supply Service from the Company under the modified Customer Service Agreement or from an ESCo under the Company's unbundling proposal. In the event that the customer requests that the Company unbundle the pricing provisions of its Customer Service Agreement, the customer shall only be eligible to purchase Electricity Supply Service from the Company under the default option of the customer's otherwise applicable service classification's Standard Tariff Rates.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARIZED DISCOUNTED RATES (Continued)

6.2 Determination of Loads Eligible to Receive Discount

6.2.1 Determination of Contestable Load: For each Qualifying Customer that is not required to individually negotiate its rates and Customer Service Agreement, the Company shall determine the customer's Contestable Load as defined in Section 3.10 of this Service Classification No.12.

6.2.2 Application of Discounts: The discount percentages specified in Section 6.3 of this Service Classification No.12 shall apply only to the Qualifying Customer's Contestable Load.

6.2.3 Administration Of Discounts: Qualifying Customers shall have the option of separately metering their Contestable Load as provided in Section 6.2.3.1 or agreeing to the alternate billing methodology specified in Section 6.2.3.2.

6.2.3.1 Option 1: Separate Meters: If the customer elects to separately meter its Contestable Load, the Company shall install the required metering facilities at the customer's expense, and discounted service shall only commence once the required metering facilities are in place and shall apply only to such Contestable Loads kWh. The Company shall have the right to terminate discounted service under this Section 6.2.3.1 and to require the customer to receive its discounted service under Section 6.2.3.2 if the Company determines that any part of the customer's Non-Contestable Load is receiving service through the meter assigned to the customer's Contestable Load.

6.2.3.2 Option 2: Billing Based on Contract Loads: In the event that the customer does not elect to separately meter its Contestable Load, the Company shall estimate the customer's Non-Contestable Load (NCL) in each billing period for twelve consecutive months. The customer's Contestable Load shall be deemed to be all usage in excess of the NCL (in kW and kWh) in any billing period, and the customer's discount percentage specified in Section 6.3 shall apply only to such Contestable Loads kWh.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.3 Discount Percentages: The following discount percentages are applicable to qualifying customers depending on the customer's competitive alternative:

6.3.1 Retention: Revitalization

If approved, the customer will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

<u>Year</u>	<u>Discount Percentage Applied to C.T.C per kWh</u>	
	<u>SC-3A</u>	<u>SC-3</u>
1	30%	85%
2	30%	65%
3	30%	50%
4	30%	35%
5	30%	15%

6.3.1.1 Customers served under this program shall be subject to a Minimum Bill provision. The Minimum Bill shall be calculated as the sum of:

1. Customer Charge: The Customer Charge shall be set according to the otherwise applicable Standard Tariff Rate schedule, and
2. Per kW Charges: The Per kW charges shall be determined as the product of the SC-12 Contract Load Quantity demand, which is measured in kW, and the Per kW charges of the otherwise applicable Standard Tariff Rate schedule, and
3. C.T.C Energy Charges: The C.T.C. energy charges shall be determined as the product of the SC-12 Contract Load Quantities, by rating period where applicable, (measured in kWh) and the Competitive Transition Charge (per kWh), by rating period where applicable, of the otherwise applicable Standard Tariff Rate schedule.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.3 Discount Percentages (Continued)

6.3.1 Retention: Revitalization (Continued)

6.3.1.2 Customers may petition the Company for a waiver to the Minimum Bill provisions of Section 6.3.1.1. The Company may grant a waiver of the Minimum Bill provision specified in Section 6.3.1.1 if it determines that substantial unforeseen downturns in market conditions have occurred at the Qualifying Customer's facility and that, as a result, it would be in the best interests of the Company and the remaining electric customers to grant such a waiver request.

The customer's petition to the Company must be provided in accordance with the Notices section of the Customer Service Agreement. The Company will use the customer's revitalization plan as a reference for evaluating the applicant's request for a Minimum Bill Waiver.

6.3.1.3 In no event may the customer's Non-Contestable Load (in kW and kWh) be less than the quantities that the customer has contracted for under S.C. No. 3A's Option 2 - Fixed Pricing Electricity Supply Service Charges/Fixed Price Competitive Transition Charges.

6.3.1.4 Customers shall have the ability to petition and obtain a waiver for a reduction to their Contestable Load for the remainder of their contract term. Acceptable grounds for a reduction to a customer's Contestable Load shall include decreasing energy usage due to:

1. the implementation of energy conservation measures, or
2. other demonstrated improvements in productivity or operation efficiency.

The customer's revitalization plan will be used as a reference for evaluating the applicant's request for a reduction to their Contestable Load.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.3 Discount Percentages (Continued)

6.3.2 Retention: Relocation If approved, the customer will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

<u>Year</u>	<u>Discount Percentage Applied to C.T.C per kWh</u>	
	<u>SC-3A</u>	<u>SC-3</u>
1	70%	90%
2	60%	70%
3	50%	50%
4	30%	20%
5	20%	15%

6.3.2.1 Customers served under this program shall be subject to a Minimum Bill provision. The Minimum Bill shall be calculated as the sum of:

1. Customer Charge: The Customer Charge shall be set according to the otherwise applicable Standard Tariff Rate schedule, and
2. Per kW Charges: The Per kW charges shall be determined as the product of the SC-12 Contract Load Quantity demand, which is measured in kW, and the Per kW charges of the otherwise applicable Standard Tariff Rate schedule, and
3. C.T.C Energy Charges: The C.T.C. energy charges shall be determined as the product of the SC-12 Contract Load Quantities, by rating period where applicable, (measured in kWh) and the Competitive Transition Charge (per kWh), by rating period where applicable, of the otherwise applicable Standard Tariff Rate schedule.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.3 Discount Percentages (Continued)

6.3.2 Retention: Relocation (Continued)

6.3.2.2 Customers may petition the Company for a waiver to the Minimum Bill provisions of Section 6.3.2.1. The Company may grant a waiver of the Minimum Bill provision specified in Section 6.3.2.1 if it determines that substantial unforeseen downturns in market conditions have occurred at the Qualifying Customer's facility and that, as a result, it would be in the best interests of the Company and the remaining electric customers to grant such a waiver request.

The customer's petition to the Company must be provided in accordance with the Notices section of the Customer Service Agreement.

6.3.2.3 In no event may the customer's Non-Contestable Load (in kW and kWh) be less than the quantities that the customer has contracted for under S.C. No. 3A's Option 2 - Fixed Price Electricity Supply Service Charges/Fixed Price Competitive Transition Charges.

6.3.3 Growth: Business Attraction

6.3.3.1 **Program 1**: If approved, Qualifying Manufacturing Customers and Service Sector Customers as defined in 3.3 and 3.5, other than those Energy Intensive Manufacturing Customers identified in Program 2, will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

<u>Discount Percentage Applied to C.T.C per kWh</u>	
<u>Year</u>	<u>All Eligible Classes</u>
1	85%
2	65%
3	50%
4	35%
5	15%

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.3 Discount Percentages (Continued)

6.3.3 Growth: Business Attraction (Continued)

6.3.3.2 Program 2 - Energy Intensive Manufacturing: If approved, qualifying Energy Intensive Manufacturing Customers will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

<u>Discount Percentage Applied to C.T.C per kWh</u>	
<u>Year</u>	<u>All Eligible Classes</u>
1	100%
2	80%
3	60%
4	40%
5	20%

6.3.4 Growth: Business Expansion. If approved, Qualifying Manufacturing and Service Sector customers, as defined in 3.3 and 3.5, will be eligible for 5 years of discounts as applied to its Contestable Loads as provided below:

<u>Discount Percentage Applied to C.T.C per kWh</u>	
<u>Year</u>	<u>All Eligible Classes</u>
1	75%
2	75%
3	75%
4	75%
5	75%

6.4 Other Customer Service Agreement Provisions: Customer Service Agreements for customers receiving service under this Section 6 of Service Classification No.12 shall be as specified in the attached Form I and include the following provisions:

6.4.1 Term: The term of any discounted Customer Service Agreement under the Section 6 of Service Classification No.12 shall not exceed 5 years.

6.4.2 Commencement of Service: Service under any discounted Customer Service Agreement under this Section 6 shall commence on the first day of the billing period immediately following execution and delivery of the discounted Customer Service Agreement by both parties, subject to appropriate metering as specified in 6.2.3.1.

SERVICE CLASSIFICATION NO. 12 (Continued)

6. STANDARDIZED DISCOUNT RATES (Continued)

6.4 Other Customer Service Agreement Provisions: (Continued)

- 6.4.3 Adjustments and Surcharges:** Customers receiving Customer Service Agreements reflecting standardized discount rates pursuant to this Section 6 of this Service Classification No.12 shall be subject to all adjustments and surcharges that would have applied to the customer if it had received non-discounted service under the service classification otherwise applicable to the customer's usage and these surcharges shall be specified in the Customer Service Agreement. All such adjustments and surcharges shall be determined in accordance with the corresponding rules of the standard tariffs and shall be increased by a tax factor in accordance with Rule 32.
- 6.4.4 Payment of Undisputed Bills:** The Company shall include a provision in its discount Customer Service Agreements requiring the customer to be current in its payment of all undisputed bills, and which may require the customer to furnish a security deposit in the amount that the Company would otherwise be authorized to require under Commission rules, as a precondition to receiving any discounted service by the Company. Customers who have executed a deferred payment agreement with the Company consistent with Rule 26.9 - Deferred Payment Agreement (DPA) for Non-Residential customers of this Tariff, and are in full compliance with the requirements of this DPA shall be eligible to receive these discounts.
- 6.4.5 Resales Prohibited:** The Company shall include a provision in its discount Customer Service Agreements prohibiting the customer from reselling or otherwise furnishing any of the electricity provided pursuant to a Customer Service Agreement authorized by this service classification to any third party, regardless of whether such sale or furnishing would otherwise be authorized by Rule 8 of the Tariff.
- 6.4.6 Increase in Rates and Charges:** The rates and charges under Section 6 of this service classification will be increased by a tax factor pursuant to Rule 32.