

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: JULY 1, 2009

LEAF: 418
REVISION: 1
SUPERSEDING REVISION: 0

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.

Issued by Thomas B. King, President, Syracuse, NY