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NIAGARA MOHAWK POWER CORPORATION REVISION: 0
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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. <u>Exemptions From SC-7</u>

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.