

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 435  
REVISION: 0  
SUPERSEDING REVISION:

### **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.

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