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New York State Electric and Gas Corporation

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GENERAL INFORMATION

23. Wind Electric Service Options (Cont'd.)

C. Farm Wind Electric Generating System Option

Applicable to any customer who owns or operates farm wind electric generating equipment ("Facility"), that generates electric energy with a rated capacity of not more than five hundred kilowatts (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. Such definition states that a "farm operation" means the land and on-farm buildings, equipment, manure processing and handling facilities, and practices which contribute to the production, preparation and marketing of crops, livestock and livestock products as a commercial enterprise, including a "commercial horse boarding operation" as defined in subdivision thirteen of this Section 301 of the Agriculture and Markets Law.

The Facility must be manufactured, installed and operated in accordance with applicable government and industry standards. Such Facility must be connected to NYSEG's electric system and operated in parallel with NYSEG's transmission and distribution facilities.

The Farm Wind Electric Generating System Option will be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for all wind electric generating equipment owned or operated by customer-generators in NYSEG's service area is equivalent to 8,478 kW (three-tenths percent of NYSEG's electric demand for the year 2005).

Customers electing service under this Section 23 must operate in compliance with standards and requirements set forth in the Distributed Generation Interconnection Requirements found in PSC 119 - Electricity, Section 9 and Addendum-SIR to PSC 119. In addition, customers must execute the NYS Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 2 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR Contract"), as contained within Addendum-SIR of PSC 119 - Electricity.

For a net metered customer, the Corporation will install metering appropriate for the customer's service classification that enables the Corporation to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Corporation. Where the Corporation determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Corporation, the customer will be responsible for the cost of the meter, the installation and any additional costs. For each billing period during the term of the SIR Contract, the Corporation will net the electricity (kWh) delivered to the customer with the electricity (kWh) supplied by the customer to the Corporation.

a) If the electricity (kWh) supplied by the Corporation exceeds the electricity supplied by the customer to the Corporation during the billing period, the customer shall be billed for the net kWh supplied by the Corporation to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting will occur in each time period.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York