

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: December 1, 2006

Leaf No. 294.1  
Revision: 1  
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 11 (Continued)

**INTERCONNECTION REQUIREMENTS (CONT'D.)**

7. At the time of agreement, the customer with an OSG greater than 300 kVA, excluding Net Metered Farm Waste Generators less than 400 kW, may select the payment method for paying the Company operations and maintenance charges on the interconnection equipment paid for by the customer but owned by NYSEG. The customer may select to pay either the actual charges for maintenance, as they may occur, or the customer may choose to pay an annual carrying charge of 9% (subject to review in the Company's rate case proceedings) on the total investment in such equipment. The operations and maintenance costs on such equipment is billed on a monthly basis pursuant to the applicable contract or agreement.

8. NAERC Guidelines: A customer taking standby service shall comply with all reliability criteria, guidelines, and procedures established by the North American Electric Reliability Council ("NAERC") as the same may be amended or superseded. Such compliance is necessary to ensure the continued reliability of North America's interconnected electric transmission electric systems.

**UNAUTHORIZED OSG INTERCONNECTION BY CUSTOMER:**

If a customer connects OSG to its electric system without: (a) notifying the Company; and (b) executing an appropriate standby service Application, and thereafter the Company discovers the interconnection, NYSEG will backbill the customer for all standby service rendered subsequent to the estimated connection of such OSG.

In preparing such backbills, the Company will assess a standby service contract demand surcharge provision equal to two times that which would otherwise be computed under the Determination of Demand Provision, paragraph 1 (Company Established Contract Demand) of this Service Classification, and assume the standby contract demand had been inappropriately established at 0 kW.

**SPECIAL PROVISIONS**

**(a) Demand Metered Customer With Less Than 50 kW of Contract Demand:**

A customer with a contract demand of less than fifty (50) kW without interval metering will be billed at the OASC rate plus a monthly Transition Charge. A customer with a contract demand of less than fifty (50) kW can choose to be served at the standby rate, provided that the customer pays all one-time and ongoing costs associated with the purchase and installation of an interval meter, and telecommunication equipment as discussed in the "Metering and Communications Requirements" section of this SC 11 tariff.

**(b) Small Customer Exclusion:**

Small customers, defined as those customers qualifying for service under Service Classification Nos. 1, 6, 8, 9, and 12, will be billed at the OASC rate instead of the standby service rate in SC 11. This exemption will be discontinued on May 31, 2009, or upon the date that 200 such standby customers located east of Total East or 250 such standby customers west of Total East are billed under this provision, provided, however, that the discontinuance of this exemption shall not affect any customer that received the exemption prior to the date of discontinuance, which customers will continue to receive the exemption until the conclusion of the phase-in described in the "Optional Standby Service Rate Phase-ins is Applicable to" section of this Service Classification.

Issued in compliance with order in Case No. 02-E-0779 dated 10/25/06.

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