PSC No: 120 - Electricity New York State Electric & Gas Corporation Initial Effective Date: December 31, 2004 Leaf No. 294 Revision: 2 Superseding Revision: 1

SERVICE CLASSIFICATION NO. 11 (Continued)

INTERCONNECTION REQUIREMENTS (CONT'D.)

2. A customer must complete an Application for Service and must operate in compliance with standards and requirements set forth in either the Distributed Generation Interconnection Requirements found in Section 9 of Schedule PSC 119, and in Addendum-SIR of Schedule PSC 119 – Electricity entitled "New York State Standard Interconnection Requirements for New Generation Units 2 MW or Less Connected in Parallel with Utility Distribution Systems" or NYSEG Bulletin 86-01, entitled "Requirements for Independent Power Producers of Electricity." In addition, customers must execute either the New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity 2 MW or Less Connected in Parallel with Utility Distribution Systems("SIR Contract"), as contained within Addendum-SIR of PSC 119 - Electricity, or the applicable contract.

- 3. A customer and the Company shall agree as to the operating mode, interconnection and equipment specifications for the OSG facility pursuant to either a or b below, as may be amended or superseded:
 - a) the SIR Contract contained within Addendum-SIR of PSC 119, or
 - b) b) NYSEG's Bulletin 86-01.

4. A customer will be responsible for all costs associated with its OSG interconnection as set forth in the requirements listed in paragraphs 3a or 3b above, as applicable.

5. Contribution toward CT & VT Costs: For installations requiring Current Transformers (CTs) and Voltage (or Potential) Transformers (VTs), to the extent that a customer, as part of its original interconnection with the NYSEG's system, paid for and installed CTs and VTs or compensated the Company for those costs up-front, the customer will receive a monthly bill credit, as mutually agreed upon by NYSEG and the customer.

6. Maintenance Schedules: A customer applying for standby service with a standby contract demand greater than 1000 kW is required to provide the Company with a schedule of OSG maintenance. A schedule must include the dates and times for the beginning and ending of all planned outages. A customer may revise the schedule one (1) month prior to the effective date of the outage. However, modifications communicated with less than one (1) month's notice will not be allowed, unless the customer obtains Company approval. The annual provision of planned maintenance schedules by the customer will take place on October 1 of each year for standby service for the following calendar year. Such schedule will be utilized by NYSEG for planning functions. This provision does not take precedence with respect to any OSG maintenance provision in a power purchase agreement that may be in effect with the Company.

Issued in compliance with Order in Case 02-E-1282 dated 11/17/04.

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