Leaf: 310 Revision: 0 Superseding Revision:

SERVICE CLASSIFICATION NO. 11

DISTRIBUTED GENERATION - RESIDENTIAL

Applicable to Use of Service For:

This rate schedule is available to any residential customer who is eligible to take service under service classification No. 1 upon written application and acceptance by the company, for gas service used for the operation of gas powered distributed generation equipment used for mechanical and electrical power applications employing reciprocating engines, gas turbines and emerging gas technologies such as fuel cells, microturbines, and others, where such gas will be used in the production of electricity in generators having an electrical output capacity of less than fifty (50) megawatts, subject to the Special Provisions herein. A separate meter does not need to be installed under this service classification.

Customers qualifying for service under this Service Classification may contract for either Sales or Reserved Unbundled Transportation Service available under this Service Classification and in accordance with the rules and regulations of company included in General Information.

For purposes of determining a customers' initial eligibility for service hereunder, the customer shall provide the company with a reasonable estimate of customer's Winter Peak Day Gas Usage and the customer's annual gas usage during the first year of operation of the customers facility, with the first year commencing after a three-month start-up phase.

Customers operating under this Service Classification must have an annual load factor greater than fifty (50) percent and must demonstrate that qualifying electric generation equipment has been installed at the location. Annual Load Factor is defined as the customer's annual gas usage divided by the product of the customer's Winter Peak Day Gas Usage x 365 days.

The company reserves the right to restrict the location of new customers allowed to take service under this rate with regard to system operation constraints.

The rates available under this Service Classification will be the ceiling price in effect until at least 36 months after the effective date of this Service Classification.

Character of Service:

Natural gas with not less than 950 Btu per cubic foot, at approximate pressure from 6 to 7 inches water column. Continuous service.

Services Available:

The following services are available under this Service Classification:

<u>Sales Service</u>: For the continuous supply of natural gas by the company including associated Distribution Delivery, Gas Interconnection, Gas Transportation, Gas Supply, and Load Balancing services necessary to ensure delivery of natural gas service in accordance with customer's needs. For this service, the Distribution Delivery, Gas Interconnection, Gas Transportation, Gas Supply, and Load Balancing Charges shall apply to all volumes through the meter.

Issued by: G. Robert Simpson, President and General Manager, 33 Stearns Street, Massena, NY Issued in compliance with order of the Public Service Commission dated August 4, 2004 in Case 02-M-0515