Received: 11/02/2004 Status: CANCELLED Effective Date: 11/03/2004

PSC NO. 87 Gas NEW YORK STATE ELECTRIC & GAS CORPORATION

Revision: 0 Initial Effective Date: 11/03/04 Superseding Revision:

SERVICE CLASSIFICATION NO. 11

RESIDENTIAL DISTRIBUTED GENERATION FIRM SALES SERVICE

APPLICABLE TO THE USE OF SERVICE FOR:

Firm Sales Service to any residential service described below who has or installs a gas-fueled distributed generation (DG) facility that represents generating units designed to provide electricity to the customer and that maintains a load factor of 50% or more. (load factor is defined herein as annual gas use divided by winter peak day gas usage and multiplied by 365 days). The annual gas and peak day volumes used in the load factor calculation will be based on the customer's historical usage combined with the estimated usage of the prospective DG unit. For new applicants for whom the company does not have historical data, annual gas and peak day volumes will be estimated based on the prospective DG unit and other gas appliances in service. Such distributed generation facilities may include, but not be limited to, reciprocating engines, steam turbines, gas turbines and emerging gas technologies such as fuel cells and microturbines. Service under this service classification is available throughout the Company's service territory to which this schedule applies, providing the Company has facilities available and adequate for the load.

Residential Service in individual private dwellings, including two-family dwellings where the customer is a resident, flats or apartments, and separately metered non-space/water heating equipment in common areas used by tenants of individually metered multi-family residences of ten (10) units or less. Also for all gas utilized exclusively in connection with religious purposes by any corporation, association or school organized and conducted in good faith for religious purposes; or any post or hall owned or leased by a not-for-profit corporation that is a veterans' organization. Applicable also to use exclusively in connection with a community residence for the mentally disabled, as defined in Subdivision 28, 28-a, or 28-b of Section 1.03 of the Mental Hygiene Law, provided that such residence is operated by a not-for-profit corporation and, if supervisory staff is on site twenty-four (24) hours a day, that the residence provides living accommodations for fourteen (14) or fewer residents.

CHARACTER OF SERVICE:

Continuous - natural gas or a mixture of natural gas and synthetic natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas will be supplied at high pressure, where such service is available.

PRICE: (Per Month)

The Company's unbundled charges are:

(1) Gas Delivery Charges:

Unit Price Leaf: 55

A. <u>Delivery Rates</u>:

Basic Service Charge for All Areas, including:

First 3 Therms or less

\$17.12

Issued in compliance with Commission order in Case 02-M-0515 dated 8/04/04.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY