

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: February 1, 2004

Leaf No. 291
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 11 (Continued)

Contract Demand: (Cont'd.)

2. Customer Established Contract Demand:

A customer may establish the contract demand based on analysis and expected operation of the customer's facility and OSG. Subsequently, a customer may revise its contract demand downward by written notice to NYSEG once every twelve (12) months. The revised contract demand level cannot be set at a level lower than the highest demand metered in the previous twelve (12) months unless the customer demonstrates in writing to NYSEG's reasonable satisfaction that electricity-consuming equipment is removed or disabled in place (not simply disconnected). NYSEG has the right to inspect the premises of a customer upon reasonable notice and at reasonable times in order to confirm that such energy-consuming equipment has been so removed or disabled in place (not simply disconnected).

A customer may revise its contract demand upwards at any time upon written notice to NYSEG.

Surcharge: Where the customer elects to establish its own contract demand and then exceeds the contract demand, a surcharge will apply to the current monthly bill equal to the following:

Exceeding Contract Demand	Exceeding Contract Demand	Exceeding Contract Demand
0% to less than 10%	10% to less than 20%	20% or more occurs
12 times the sum of the monthly contract demand charge amount calculated for the excess demand	18 times the sum of the monthly contract demand charge amount calculated for the excess demand	24 times the sum of the monthly contract demand charge amount calculated for the excess demand

Where a new customer installs OSG, or an Existing Customer initially adds OSG, during a two (2) year period beginning February 1, 2004, one exceedence in the first year of OSG operation of less than ten percent (10%) in magnitude would be excused from the above surcharge. For purposes of this paragraph, the OSG shall be deemed to have commenced operation when the OSG first delivers electricity to serve the customer's load.

As-Used Demand:

1. The as-used demand for customers with interval metering will be the aggregate of the highest daily 15-minute integrated demand (measured in kW) occurring during the On-Peak hours as defined in "Rate Periods" above, during the billing period. If in any billing period, there is a failure in the metered usage data acquisition that results in the failure to record daily as-used demand data, NYSEG reserves the right to estimate reasonable values for the missing data for recording and billing purposes.

2. The daily as-used demand, for customers without demand metering, and not billed at the OASC will be the monthly metered kilowatt hours.

Issued in compliance with orders in Case No. 02-E-0779 dated 07/30/03 and Case No. 03-E-1552 dated 11/28/03

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