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New York State Electric & Gas Corporation

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Issued in compliance with Order in Case 14-M-0101, dated May 19, 2016.

SERVICE CLASSIFICATION NO. 11 (Continued)

(g) Standby Offset

Billing Applicable to Each Standby Supplied Account

1. Customer Charge

The Customer Charge and meter charges for each account (the Standby Generation Account and the Standby Supplied Accounts) will be equal to the customer and meter charges listed in this service class plus the additional Customer Charge listed below.

2. Contract Demand

The Contract Demand for each account (the Standby Generation Account and the Standby Supplied Accounts) will be determined based on the maximum potential demand on the Company's system to serve that individual account, including the delivery of supply from all sources.

3. <u>Allocation of Excess Generation for As-Used Demand and Supply</u> For purposes of this Offset Provision, the following definitions apply:

<u>"Allocated As-used Generator Demand"</u> means, for each Standby Supplied Account supplied by the Standby Generating Account's excess generation, the demand registered on the Standby Supplied Account's meter(s) multiplied by the lower of: (a) 1 or (b) the ratio of the Standby Generating Account's excess generation measured in kilowatts to the sum of demands on the meters of all Standby Supplied Accounts.

"Allocated Generator Supply" means, for each Standby Supplied Account supplied by the Standby Generating Account's excess generation, the total kilowatthours on the Standby Supplied Account's meter(s) multiplied by the lower of: (a) 1 or (b) the ratio of the Standby Generating Account's excess generation measured in kilowatthours to the sum of the kilowatthours registered on the meters of the Standby Supplied Accounts.

Allocated As-used Generator Demand and Allocated Generator Supply will be determined for each 5-minute interval. Adjustments will be made for transformation losses as applicable.

- 4. Each Standby Supplied Account will be billed under Standby Service rates listed in this service class, as modified below:
 - (i) An additional Customer Charge of \$50.00 per account per billing period, will be applicable to cover incremental billing and administrative costs associated with providing service under this provision.
 - (ii) The per-kWh delivery charges and adjustments described in this service class will be applied to the total kilowattthours registered on the account's meter(s) reduced by the Allocated Generator Supply for each 5-minute interval (adjusted for losses as applicable).
 - (iii) For each 5-minute interval, the registered demand on the account's meter(s) will be reduced by the Allocated Generator Demand for purposes of determining the daily maximum demand that is used for billing As-used Daily Demand Delivery Charges.

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