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PSC NO. 88 Gas**NEW YORK STATE ELECTRIC & GAS CORPORATION**

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SERVICE CLASSIFICATION NO. 16 (CONT'D)**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM TRANSPORTATION SERVICE (CONT'D)****INCREASES IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:**

The prices and charges under this service classification, including the Minimum Charge, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

Billing and payment for service provided under this service classification shall be in accordance with General Information Section 4.N. of this Schedule.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per term to all terms delivered under this Service Classification (as explained in this Schedule, General Information Rule 37). See RAM Statement.

TERM:

The term that a customer may be on this service classification is one year with one-year renewals thereafter, pursuant to the Transportation Service Agreement. Renewals shall only be provided if the customer maintains at least a 50% load factor unless there are mitigating circumstances as determined by the Company. The Company shall review the customer usage annually beginning with the anniversary of the commercial operation of the customer's DG unit and advise the customer if the load factor falls below 50%. If the load factor falls below 50%, the customer shall be removed from this rate for a period of 12 months, after which time they may reapply, provided they have achieved a 50% load factor over the 12-month period while not receiving service pursuant to this service classification.

SPECIAL PROVISIONS:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution facilities are inadequate, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall be charged for additional facilities pursuant to the Company's existing rules set forth in P.S.C. No. 90 Gas, or superseding issues thereof.
- B. DG customers >5 MW but < 50 MW are responsible for ensuring a Company approved method of communication with the daily meter reading device, and that a suitable space for such equipment is provided and maintained. The customer shall reimburse the Company for the cost and expense of newly installed daily metering equipment, including communication service. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.
- C. DG rates pursuant to this service classification shall apply only to DG usage. Non-DG gas use shall be measured and billed separately and not under this service classification.
- D. Where multiple units are installed at one location, the total sum of all the unit nameplates (values rating) metered through one meter shall govern the service classification that shall apply.

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