

PSC NO: 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: JANUARY 1, 2017  
STAMPS: Issued in accordance with Order in Case 16-M-0430 dated December 19, 2016

LEAF: 435  
REVISION: 3  
SUPERSEDING REVISION: 2

### SERVICE CLASSIFICATION NO. 7 (Continued)

I. An SC7 customer with a private generating facility connected to the Company's distribution system at primary voltage level or above may use the output of the generating facility to supply two or more Standby Service accounts, as long as all of the following conditions are met:

(a) Eligibility:

(1) Standby Service Accounts

(i) The Standby Service accounts designated by the Customer and the account associated with export of the generating facility must be all established in a single Customer's name ("Single Party Offset"); or

(ii) The generating facility and the standby service accounts designated by the customer to receive the output of the generating facility may be established in two or more customer names ("Multi-Party Offset"), provided all of the following conditions are met:

(1) At least one of the standby service accounts must be in the same customer name as the owner or operator of the generating facility (the "Sponsor") and have a contract demand equal to 10 percent or more of the nameplate rating of the generating facility.

(2) The Sponsor will be responsible for coordinating the interconnection and operation of the generating facility with the Company, and

(3) At the time of application under the Multi-Party Offset, the Sponsor must submit signed Multi-Party Offset Recipient Participation Forms for all Recipient Accounts and a signed Multi-Party Offset Percentage Allocation Form.

(2) The generating facility must: (i) have a total nameplate rating of over 2 MW but no more than 20 MW; and (ii) meet eligibility criteria for designation as efficient "combined heat and power" pursuant to the order of the Public Service Commission, dated January 23, 2004, in Case 02-E-0781, except with respect to maximum generating capacity. The generating facility may have more than one generating unit so long as the aggregate nameplate rating conforms to the limitations in (2) (i) herein.

(3) The generating facility and the Standby Service accounts must all be located within a single "premises." "Premises" is defined as follows for purposes of this Special Provision I only:

(i.) Under Single Party Offset, "premises" means "a parcel of land; or more than one building and/or parcel of land proximate to each other if there is common use, whether or not such buildings or parcels are separated by public or private roads." The accounts of a Customer whose buildings or parcels of land are not physically interconnected may meet the definition of a single "premises" upon the Customer's demonstration of common use to the Company.

(ii.) Under Multi-Party Offset, "premises" means "a single building."

(4) At least one of the Standby Service accounts must take service under secondary or primary voltage levels.

(5) Each Standby Service account must be separately interval metered. The export of the generating facility must also be separately interval metered. Metering requirements will be in accordance with the Metering and Communications of this Service Classification.

Issued by Kenneth D. Daly, President, Syracuse, NY