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GENERAL INFORMATION

26. Solar Residential Electric Service Option

Applicable to any Residential Customer (as defined by HEFPA), and farm customer as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may install and operate solar generating equipment located and used at his or her residence. Solar generating equipment is defined as a solar system, with a rated capacity of not more than 25 kilowatts that is manufactured, installed and operated in accordance with applicable government and industry standards. Farm customers may install solar generating equipment with a rated capacity of not more than 100 kilowatts, that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in parallel with NYSEG's transmission and distribution facilities.

Application of the Solar Residential Service Option will be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in NYSEG's service area is equivalent to 84,780 kW (three percent of NYSEG's electric demand for the year 2005) and is available only in non-network areas of the Company's territory. Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 2 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR Contract"). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of Schedule PSC 119.

For a net metered customer, the Company will install metering appropriate for the customer's service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer will be responsible for the cost of the meter, the installation and any additional costs. For each billing period during the term of the SIR Contract, the Company will net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Company.

- a) If the electricity (kWh) supplied by the Company exceeds the electricity supplied by the customer to the Company during the billing period the customer shall be billed for the net kWh supplied by the Company to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, netting will occur in each time period.
- b) If the electricity (kWh) supplied by the customer to the Company during the billing period exceeds the electricity (kWh) supplied by the Company to the customer, a kWh credit will be carried forward for the next billing period. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak or Day/Night, the kWh credit will be carried forward as a credit to the appropriate time period.

For customers billed on TOU rates, if the electricity (kWh) supplied by the customer to the Company is not metered for each TOU period and until such time as metering is installed to measure electricity supplied to the Company in each TOU period, an allocation of the electricity supplied to the Company will be done according to allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

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