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PSC No: 120 - Electricity
 New York State Electric and Gas Corporation
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GENERAL INFORMATION

22. Farm Waste Electric Generating System Option (Cont'd.)

- 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 shall 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 shall be carried forward as a credit to the appropriate time period.
- c) For a demand-billed farm waste customer, prior to carrying forward any kWh credit, the kWhs shall be converted to a dollar value using the applicable tariff per kWh rate and applied as a credit to the current utility bill. If the dollar value of the kWh exceeds the current utility bill, any remaining dollars shall be converted back to kWhs and carried forward for the next billing period as a kWh credit.

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 shall be done according to the allocation factors as set forth in a Special Provision provided in each service classification in this Schedule.

Hourly Pricing

- a) For customers billed on Hourly Pricing, for each hour, the customer's usage and its generation are netted within the hour.
- b) Kilowatt-hour charges are calculated using the consumption in each hour in which the customer's usage exceeds the customer's generation multiplied by the applicable price.
- c) The Company shall maintain two monetary values for the excess credits.
 - i. For each hour the electricity generated and supplied by the customer exceeds the customer's usage, the kWh difference is multiplied by the avoided cost for energy for that hour. The result is the excess credit priced at avoided cost for that hour.
 - ii. For each hour in which the electricity generated and supplied by the customer exceeds the customer's usage, the kWh difference is summed together and then multiplied by the sum of the remaining per kWh charges (e.g., Energy Charge, Transition Charge, Merchant Function Charge, Supply Adjustment Charge, Ancillary & NTAC, RPS, EEPS, SBC, TSAS, and RDM).
 - iii. The Company shall use excess credits from the prior month's bill period and the current bill period to develop a ratio between the excess credit priced at avoided cost and the excess credit for remaining per kWh charges. The excess credits are applied to the current bill. Any remaining credits are multiplied by the ratio to determine the excess credit at avoided cost and the excess credit for remaining per kWh charges to carry forward to the next month.

Cash-out

If, (a) on an annual basis, during the term of the SIR Contract or (b) on the date the SIR Contract is terminated pursuant to the terms and conditions of said Contract, there exists a positive (kWh) balance for an accumulation of excess generation provided to the Company, then a cash payment shall be issued to the customer. For a Non-Hourly Pricing customer, the payment shall be for an amount equal to the product of the excess balance times the average avoided cost for energy over the most recent 12-month period. For an Hourly Pricing customer, the payment shall be for the remaining portion of the excess credit priced at avoided cost, after credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero.

A customer shall be provided a one-time option to select an individual anniversary date for the annual cash-out of excess net metering credits. For a Non-Hourly pricing customer, the initial cash-out payment shall be equal to the product of excess balance multiplied by the average avoided cost for the energy over the number of months the customer has taken service under this provision. For an Hourly Pricing customer, the initial cash-out payment shall be for the remaining portion of the excess credit priced at avoided cost, after the credits are applied to the current bill period. Any remaining non-avoided cost monetary credits are reset to zero. Upon the Company's determination that the customer has taken service under this Section 22 while in violation of the conditions of service set forth in this Schedule, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

Costs

In the event that the Company determines that it is necessary to install a dedicated transformer or transformers or other equipment to protect the safety and adequacy of electric service provided to other customers, the customer shall pay the Company's actual costs of purchasing and installing such transformer(s) or other equipment located and used at customer's "farm operation," As set forth within the Addendum-SIR.

A. Remote Net MeteringDefinitions:

Host Account: The customer meter where farm waste generation is located and interconnected with the Company's distribution system.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York