

PSC NO: 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: DECEMBER 8, 2015
 LEAF: 418
 REVISION: 7
 SUPERSEDING REVISION: 6
STAMPS: Issued in Compliance with Orders of PSC in Case No. 14-E-0488 dated April 20, 2015 and November 25, 2015.

SERVICE CLASSIFICATION NO. 7 (Continued)

4. Exemptions From SC-7 (Continued)

- (7) Effective June 1, 2015, a customer who installs a new CHP facility, before May 31, 2019, greater than 1 MW and up to 15 MW, exclusive, may exercise a one-time option to be exempt from standby rates and pay standard delivery rates for a period of four years.
- i. The exemption, once obtained, would be applicable for a period of four years commencing from the in-service date of the CHP facility. After the four-year period, the customer will be subject to the then-applicable standby rates or to any such tariff which replaces standby rates, if applicable.
 - ii. Once exempt, the customer may exercise the option to exit the exemption one time prior to the end of the customer's one time exemption period.
 - iii. Customers exercising this option will also be required to install, at their expense, revenue grade, interval meters that will measure generation output, and attach telemetry equipment sufficient to transmit operational information to the Company.
 - iii. Customers under this Section 7 are also subject to the requirements of Section 6, Sub Sections i-v.

Customers qualifying for the EAT Exemption shall comply with all of the following requirements:

- a) The nameplate capacity of the OSG (in aggregate if more than one unit exists) shall at no time exceed
 - (1) 25 kW for residential solar and wind;
 - (2) 500 kW for farm service solar and wind;
 - (3) 1,000 kW for farm service customers operating anaerobic digesters;
 - (4) up to 2,000 kW for solar and wind non-residential customers;
 - (5) up to 1,000 kW for qualifying CHP generation.
 - (6) effective June 1, 2015, CHP facilities greater than 1 MW and -up to 15 MW, exclusive, in accordance with Item 7 above.
- b) The OSG is placed in service between July 1, 2002 and May 31, 2019. -For CHP facilities in accordance with Section 7 above, -the OSG is placed in -service between June 1, 2015 and -May 31, 2019.
- c) The OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Company consistent with Electric System Bulletin 750 as it may be amended from time to time.
- d) The customer executes and the Company accepts a Form G as required under the special provisions of the applicable Service Classification for all generators on the premises. The customer shall state its intended use of the OSG facilities on the Form G in the blank spaces provided for special conditions.

In the event the customer fails to comply with provisions (a) through (d) above, the Company shall have the following rights:

- (a) to bill the customer standby service rates for those amounts of total Electric Service which the Company reasonably estimated were received by the customer during times when Electric Service from the Company was available to the customer; and
- (b) to require the customer to install OSG meter(s) on all of its generators on the premises within a mutually acceptable schedule and upon receipt of written notice from the Company.

Customers qualifying for the EAT Exemption shall be allowed to make a one-time irrevocable election to refuse the EAT Exemption and, instead, take service at full standby service rates, upon providing thirty (30) days written notice to the Company before commencing operation of the OSG; provided, however, that if operation of the OSG commenced between July 1, 2002 and December 31, 2011, the Customer must make its one-time election by March 1, 2012. Customers qualifying for an EAT exemption under Section 7 above -will have a one-time exemption in accordance- with Section 7(ii) above.

The EAT Exemptions set forth above will expire on May 31, 2019.

G. Net Metering for Solar, Farm Waste, Wind, Micro-Combined Heat and Power, and Fuel Cell Electric Generating Systems - Standby service rates shall not apply to Customer-Generators who have the above electric generating equipment provided they have executed a Form K agreement with the Company and have complied with all the requirements of Rule No. 36 and Rule No. 37 of this tariff.