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GENERAL INFORMATION

31. Micro-Hydroelectric Service Option

A. Residential

Applicable to any Residential Customer (as defined by HEFPA) who owns or operates micro-hydroelectric generating equipment located and used at his or her residence. Micro-hydroelectric generating equipment is defined as a hydroelectric system with a rated capacity of not more than twenty-five (25) 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 accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities, and that is operated in compliance with any standards and requirements established under this section.

Application of the Micro-hydroelectric Electric 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, fuel cell electric generating equipment and micro-hydroelectric electric generating equipment owned or operated by customergenerators in NYSEG's service area is equivalent to 4,875 kW (three-tenths percent of NYSEG's electric demand for the year 2005) and is available only in non-network areas of the Corporation's territory to residential service classifications.

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 120.

For a net metered customer, the Corporation will install one meter appropriate for the customer's service classification that enables the Corporation to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Corporation. Where the Corporation 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 Corporation, 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 Corporation will net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Corporation.

> a) If the electricity (kWh) supplied by the Corporation exceeds the electricity supplied by the customer to the Corporation during the billing period, the customer shall be billed for the net kWh supplied by the Corporation to the customer at the standard service class rates. For customers billed on Time-differentiated rates (TOU meter), e.g., on-Peak/Off-Peak, netting will occur in each time period.

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