Received: 08/22/2011 Status: CANCELLED Effective Date: 12/01/2011

PSC NO: 220 ELECTRICITY LEAF: 202.2 NIAGARA MOHAWK POWER CORPORATION REVISION: 0 INITIAL EFFECTIVE DATE: DECEMBER 1, 2011 SUPERSEDING REVISION:

37. NET METERING FOR RESIDENTIAL, FARM SERVICE AND NON-RESIDENTIAL WIND ELECTRIC GENERATING SYSTEMS AS DEFINED IN PUBLIC SERVICE LAW ("PSL") 66-L

37.10.4.2 In the event that the excess on-site generation of the host account Customer-Generator as described in 37.10.4.1 above exceeds all components of the host account Customer-Generator's outstanding utility bill, the remaining monetary credit will be allocated to the eligible designated satellite accounts in the following manner:

37.10.4.2.1 Any remaining monetary credit will be applied to the eligible designated satellite accounts in the order that each subsequent satellite account bills in the Company's billing system. In the case where more than one satellite account is billed on the same day, the monetary credit will be applied to the highest usage account first. This process will continue through each day in the billing cycle as each satellite account is billed. The monetary credit applied to each satellite account shall not exceed the satellite account's electricity delivery and electricity supply charges for that billing period.

37.10.4.2.1.1 Customers having both electric and gas service on the same account will receive separate bills for electric and gas services to ensure that net metering credits apply only to electric service on the satellite accounts

37.10.4.2.2 If a monetary credit still remains at the end of the current month's billing cycle after all eligible designated satellite accounts have been credited, the remaining monetary credit will be applied as a direct monetary credit to the host account Customer-Generator. The monetary credit remaining will not be redistributed in any subsequent billing cycle to the designated satellite accounts but will remain on the host account Customer-Generator's account as a monetary credit until such time as it has been fully applied against any subsequent utility bill(s) of the host account Customer-Generator.

37.10.4.2.3 A host account that is a residential Farm Based Wind Customer-Generator who has a credit remaining at the end of their net metering year (12-month period), will have the portion of the credit equal to average avoided cost as calculated under Special Provision C of S.C. No. 6 of this tariff paid to the host account Customer-Generator. Any remaining monetary credit will be reset to zero at the start of the host account Customer-Generator's next net metering year.

37.10.4.3 Host Account Customer-Generators and satellite accounts will be subject to applicable actual metered demand charges consumed in the billing period. The Company will not adjust the demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff for net metering purposes.