

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: July 1, 2009

Leaf No. 284
Revision: 5
Superseding Revision: 4

SERVICE CLASSIFICATION NO. 11 (Continued)

STANDBY SERVICE NOT APPLICABLE TO: (Cont'd)

2. Emergency Generators

Standby service rates shall not apply to customers whose only generating units are emergency generators. For the purpose of this Service Classification, a generating unit must meet each of the following two criteria to be considered an emergency generator:

- a) The emergency generator is used exclusively for purposes of supplying electrical power to the Customer when electrical power is not available from the Company.
- b) No load is served by the emergency generator while electric service is available from the Company to the premises, except for regularly scheduled tests when the generator is required to operate under load or participation in the NYISO's Special Case Resource Program or the Emergency Demand Response Program.

Excluding residential customers, the customer must submit a one-line diagram and specification sheet on the switch for the OSG for NYSEG's review and approval. In addition, the customer must enter into a letter agreement with NYSEG stating that the emergency generator will not operate in parallel with the utility's system.

The customer shall maintain an operating log for each emergency generator indicating the date, time, hours, and purpose of each operation of each such facility. This log shall be made available to the Company upon request. Failure to do so will permit the Company to (a) bill the customer under this Service Classification for the amount of standby service which the Company can reasonably estimate was delivered to and/or available to the customer during times when the Company did not charge the customer for such service due to this emergency generator exemption; and (b) establish a contract demand for one year, and thereafter as applicable.

3. New York Power Authority Allocations {tc " 3. New York Power Authority Allocations " \1 2}

Standby service will not apply to that portion of a customer's delivery service associated with the delivery of electricity supply pursuant to applicable New York Power Authority ("NYPA") programs.

OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO:

1. Existing Customers

An Existing Customer is defined as a customer operating OSG (including renewable, Combined Heat and Power ("CHP"), and wholesale generators) as of January 31, 2003, or who, as of that date:

- a) had commenced construction of an OSG facility;
- b) had been named by the New York State Energy Research and Development Authority ("NYSERDA") as an OSG project grant recipient as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- c) had been named by NYSERDA as an OSG feasibility study grant recipient, as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- d) had received a binding, written financial commitment from a lending institution for the construction and installation of an OSG; or
- e) was being billed at standby rates as of January 31, 2003 as set forth in this Service Classification at Special Provision (d) below.

To remain qualified as an Existing Customer, a customer under (c) or (d), above, must commence operation of its OSG by May 31, 2015.

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