

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: SEPTEMBER 19, 2009

LEAF: 428
REVISION: 1
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 7 (Continued)

INTERCONNECTION REQUIREMENTS:

The facility may be connected for parallel operation with the service of the Company, or isolated for operation with standby service provided by a Wholesale Generator by means of a double throw transfer switch or transfer switching scheme acceptable to the Company.

Customers are required to execute an Interconnection Agreement with the Company. Customers having an on-site generator in aggregate with other OSG's of less than 2 MW are eligible to execute a Form K Interconnection Agreement.

All other customers must execute an Interconnection Agreement, available from Company representatives.

For parallel generator installations, the customer and the Company shall agree as to the operating mode, interconnection and equipment specifications as set forth in Specifications for Electrical Installations Supplement, Electric System Bulletin Nos. 756A or 756B as applicable and as amended from time to time, which is subject to Commission review and arbitration should a dispute arise.

The following provision shall not apply to Wholesale Generators that agree to pay for actual interconnection costs in Interconnection Agreements or other agreements with the Company. The customer shall agree to pay for all interconnection costs which exceed the costs ordinarily incurred in rendering service at the same Standby Contract Demand under the applicable Service Classification. Upon a mutual agreement the customer may select from the following payment options, provided that upon request, the customer agrees to provide a compensatory letter of credit to the Company:

- (1) The Company will furnish, own, operate, and maintain all special equipment, in return for which the customer, or its successors on the site, will pay a monthly charge of 1.5 percent of the total investment costs for the duration of its/their operations on the site, whether or not the equipment is in use.
- (2) The customer will furnish, own, and operate all special equipment on their property and the Company will maintain such equipment, in return for which the customer, or its successors on the site, will pay a 9 percent annual operating charge based upon the customer's total investment in such interconnection equipment.
- (3) The customer will furnish, own, operate and maintain all special equipment on their property provided that the equipment and maintenance are suitable for interconnected operations. Such equipment shall be made available for Company inspection as may reasonably be required.

Issued by Thomas B. King, President, Syracuse, NY