PSC NO: 220 ELECTRICITY NIAGARA MOHAWK POWER CORPORATION INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 387 REVISION: 0 SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 3 (Continued)

SPECIAL PROVISIONS: (continued)

- I. For customers who operate a generator in excess of 25 MVa or greater and install automatic voltage control (AVC) at their facilities, reactive demand charges shall be waived, within the parameters defined by the Company during the period in which such AVC is operating and maintained in good working order. The Company will not waive start-up reactive demand charges. The initial parameters will be determined by the Company and may be changed subject to system conditions and location of the generating unit. The waiver is subject to the Company's rights to review and approve the customer's AVC system and review its operation and performance for compliance with the system requirements.
- J. <u>Net Energy Billing for Certain Customers Operating Solar or Farm Waste Electric Generating Equipment</u> -Customers who own or operate Solar Electric Generating Equipment located and used at its premises or Farm Waste Electric Generating Equipment located and used at his or her 'Farm Operation", as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may deliver electricity to the Company generated by the solar or farm waste electric generating system and the Company shall offset such electricity received from the customer against electricity supplied by the Company to the customer at other times pursuant to Rule No. 36 of this Tariff.

Qualifying demand customers will continue to pay applicable actual demand charges consumed in that billing period. However, the Company will not adjust this demand charge to reflect demand ratchets or monthly demand minimums that might be applied to a standard tariff.