

PSC NO: 2 ELECTRICITY  
COMPANY: MASSENA ELECTRIC DEPARTMENT  
EFFECTIVE DATE: 07/01/2006

LEAF: 34  
REVISION: 0  
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 8  
Individual Service Agreements

APPLICABLE TO THE USE OF SERVICE FOR

Electric service under this tariff is for non-residential customers who would normally be served under Service Classification No. 4 and meet all of the criteria contained in this rider. Utilizing Individual Service Agreements signed under this tariff, MED proposes to provide incentives and thus promote the location of new business ventures within MED's service territory, as well as promote the expansion of current non-residential customers.

Eligible customers for this service classification are customers who develop or construct new facilities, extensively refurbish an existing or retired facility or expand production at an existing facility and the new or added demand is at least 100 kW. To be eligible to participate for this service, customers shall also meet and continue to satisfy NYPA's requirements listed in the Municipal and Rural Cooperative Industrial Economic Development Program Guidelines as they may be modified from time to time, or requirements for other NYPA Economic Development power supply programs as they may be modified from time to time, and shall work with MED to receive an allocation of additional demand and energy from NYPA. It shall be a condition precedent for service pursuant to this classification that MED receive an additional allocation of energy and demand from NYPA. Should any such additional allocation of power be changed, lessened or modified, MED reserves the right to alter the ISA or transfer the customer to S.C. No. 4 service, or other rate class available at that time.

MONTHLY RATE -

Individual Electric Service Agreements executed for each Customer will, at minimum, recover MED's marginal costs plus a contribution toward system costs.

The Marginal Cost is defined as:

$MC_{power} + MC_{trans} + MC_{dist} + MC_{ancillary} + NTAC + \text{contribution toward system costs}$

Where:

$MC_{power}$  is the demand and energy costs incurred to supply power to the customer

$MC_{trans}$  is a FERC-approved Transmission Service Charge that MED pays to get power to its distribution system.

$MC_{dist}$  is MED's marginal distribution costs

$MC_{ancillary}$  is MED's system load weighted average of the NYISO ancillary services charges for Schedules 1 (fixed and variable), 2, 3, 5, and 6

$NTAC$  is the NYPA Transmission Access Charge

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