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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

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SERVICE CLASSIFICATION NO. 11 (Continued)

OPTIONAL STANDBY SERVICE RATE PHASE IN IS APPLICABLE TO: (Cont'd.)

3. Phase-In and/or Designated Technology Exemption of Standby Rates

- a) Existing Customers shall take service under this Service Classification and be subject to a phase-in of these standby service rates, as discussed below, unless they make a one-time election to take service at the full standby service rates instead of at the phase-in rates upon providing thirty (30) days written notice, no later than March 1, 2004, subject to the availability of interval metering, if applicable.
- b) Designated Technology Customers, who would not otherwise qualify as an Existing Customer, shall take service under this Service Classification and join the standby phase-in (in progress), as discussed below, unless they make a one-time election to take service at the full standby service rates upon providing thirty (30) days written notice prior to commencing standby service, subject to the availability of interval metering, if applicable.
- c) A Designated Technology Customer, who would not otherwise qualify as an Existing Customer, with a generator that is operational by May 31, 2006 has the option to make a one-time election to be permanently exempt from standby service rates rather than electing the phase-in or full standby service rates.
 - i. A Designated Technology Customer whose facilities are placed in service between July 29, 2003 and February 1, 2004, must make the one-time election to be permanently exempt no later than March 1, 2004.
 - ii. A Designated Technology Customer whose facilities are placed in-service between February 1, 2004 and May 31, 2006, must make the election to be permanently exempt in writing thirty (30) days prior to commencing standby service.
- d) Existing OSG projects that upgrade by installing designated technology components, or hybrid projects comprised in part of designated technology components, are eligible for the exemption only for the upgraded designated technology components and only if those components are separately metered.

Issued in compliance with orders in Case No. 02-E-0779 dated 07/30/03 and 01/23/04, and Case No. 03-E-1552 dated 11/28/03.

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