

PSC NO. 87 Gas
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 01/01/04

Leaf : 54
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 10 (CONT'D)

**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM SALES SERVICE (CONT'D)**

INCREASE IN PRICES AND CHARGES APPLICABLE WHERE SERVICE IS SUPPLIED:

The prices and charges under this service classification, including the Minimum Charge, will be increased by a surcharge pursuant to General Information Section 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above "unit prices" and that amount is due on bills paid on or before the "past due" date indicated on the bill. A late payment charge at the rate of one and one-half percent (1 1/2%) per month will be billed on all amounts not paid by that date. (Further details can be found in Section 8 of PSC No. 90 Gas, or superseding issues thereof.)

TERM:

The term that a customer may be on this service classification is one (1) year with one-year renewals thereafter. Renewals will only be provided if the customer maintains at least a 50% load factor unless there are mitigating circumstances as determined by the Company. The Company shall review the customer usage annually beginning with the anniversary of the commercial operation of the customer's DG unit and advise the customer if the load factor falls below 50%. If the load factor falls below 50%, the customer will be removed from this rate for a period of 12 months, after which time they may reapply, provided they have achieved a 50% load factor over the 12-month period while not receiving service pursuant to this service classification.

SPECIAL PROVISIONS:

- A. Separate service lines for DG usage and non-DG usage shall not be required. However, if existing services and upstream distribution facilities are inadequate, the customer shall be responsible for all incremental costs incurred by the Company. DG customers shall be charged for additional facilities pursuant to the Company's existing rules set forth in PSC No. 90 Gas, or superseding issues thereof.
- B. DG customers > 5MW but < 50 MW are required to pay for daily metering equipment, including telephone service. Information regarding metering options is set forth in the Gas Transportation Operating Procedures Manual.
- C. DG rates pursuant to this service classification shall apply only to DG usage. Non-DG gas use shall be measured and billed separately and not under this service classification.
- D. Where multiple units are installed at one location, the total sum of all the unit nameplates (values rating) metered through one meter shall govern the service classification that shall apply.
- E. Rates established herein are ceilings which are fixed for at least three years.

Issued in compliance with order in Case 02-M-0515 dated 12/03/03.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY