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PSC No: 120 - Electricity

New York State Electric and Gas Corporation

Initial Effective Date: January 1, 2004

Leaf No. 126

Revision: 1

Superseding Revision: 0

SERVICE CLASSIFICATION NO. 1 (Continued)

SPECIAL PROVISIONS: (Cont'd):

(h) Residential Solar Electric Service Option:

Applicable to any Residential Customer (as defined by HEFPA) who operates solar generating equipment located and used at his or her primary, legal residence. Solar generating equipment is defined as a photovoltaic system, with a rated capacity of not more than 10 kilowatts, that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in parallel with NYSEG's transmission and distribution facilities. Application of the Residential Photovoltaic Service Option for customers within Service Classification Nos. 1, 8 and 12 will be limited, in total, to a rated generating capacity equivalent to 2,478 kW (one-tenth of one percent of NYSEG's electric demand for the year 1996), and is available only in non-network areas of the Corporation's territory. Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generators with Capacity of 300 kVa or Less, or Farm Waste Generators of 400 kW or Less, to be Operated in Parallel. In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements for New Distributed Generators 300 kVa or Less, or Farm Waste Generators of 400 kW or Less, Connected in Parallel with Radial Distribution Lines, as posted on the NY PSC website at www.dps.state.ny.us/distgen.htm, found in PSC 119-Electricity, Section 9, Distributed Generation Interconnection Requirements.

Usage under this provision will be measured through either a standard single energy meter or two separate meters (one to measure electricity provided to the customer from Corporate facilities and one to measure electricity generated by the customer-generator), at the customer's option. If the customer elects to use two separate meters, usage measured through each meter will be netted to determine the total amount of electricity provided by the Corporation to the customer-generator or from the customer-generator to the Corporation for each billing period.

In the event the amount of electricity supplied by the Corporation to the customer-generator during the billing period exceeds the amount produced by the customer-generator, the Corporation shall bill for such electricity supplied, at the rates provided in this service classification. In the event the amount of electricity produced by the customer-generator exceeds the amount supplied by the Corporation, the Corporation shall apply a kWh credit to the customer's next bill for such electricity produced.

At the end of the year, or annualized over the period that service is supplied under this provision, the value of any credit remaining on a customer's account for excess electricity produced by the customer-generator shall be paid to the customer at the Corporation's avoided cost for energy. Payment will occur in the form of a voucher which will be Issued under authority of Order of the Public Service Commission to the customer-generator, for use in offsetting any of the issuing utility's bills directed to that customer during the year following the date of the voucher.

Issued in Compliance with order in Case Nos. 02-E-1654 and 02-E-1282 dated 03/20/03.

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