

**SERVICE CLASSIFICATION NO. 25**

**APPLICABLE TO USE OF SERVICE FOR:**

Sales and delivery of electric power supply provided by the Company, or delivery of electric power supply provided by an Energy Service Company under the Company's Retail Access Program, for standby purposes subject to the Special Provisions of this Service Classification. More specifically, this service is available:

- (1) to replace and/or to supplement the power and energy ordinarily generated by a customer by means of a private generating facility on their premises; or
- (2) for station use by a customer that is a wholesale generator. "Station Use" includes power and energy used by the customer at its premises in connection with its generating facility (a) during periods when such needs are not served by the generator and (b) to restart the generator after an outage. This service also applies to wholesale generators that require service when their own generating equipment is not sufficient to meet the station loads, provided that the service is not served under a separately-metered account.

Subject to the provisions dealing with interconnected operations set forth in this Service Classification and the regulations governing interconnected operations that are incorporated into this Service Classification by reference, the customer's generator may be connected for:

- (1) parallel operation with the Company's service; or
- (2) isolated operation with standby service provided by the Company by means of a double-throw switch.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**APPLICABLE TO USE OF SERVICE FOR: (Continued)**

Standby Service is Not Applicable To:

- (1) customers whose only generating units are emergency generators that are installed and operated in accordance with General Information Section No. 8 of this Rate Schedule;
- (2) customers having electric generating systems served under Rider N; and
- (3) unmetered service and separately metered space heating provided under Service Classification No. 2 of this Rate Schedule.

**CHARACTER OF SERVICE:**

Continuous, 60 cycles, single phase or three phase at one of the standard voltages described in General Information Section No. 4 of this Rate Schedule.

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**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY:**

Customers are billed for standby service at the applicable rate under Part 1, plus Parts 2, 3, 4 and 5 of this Service Classification.

(1) Customer Charges and Delivery Charges

The service classification under which the customer would otherwise receive service if it did not take service hereunder determines the standby Customer Charges and Delivery Charges applicable to the customer. The customer's contract demand shall be used to determine the otherwise applicable service classification.

- (a) Rate 1: Applicable to demand-metered customers that would otherwise be eligible for service under Service Classification No. 2 or Service Classification No. 20 of this Rate Schedule.

Customer Charge

Secondary	\$18.67
Primary	\$24.00

Delivery Charges

Contract Demand Charge (per kW of contract demand, as described in the "Determination of Demand" Section of this Service Classification)

Secondary All kW @	\$3.75 per kW
Primary All kW @	\$4.89 per kW

As-Used Daily Demand Charge (per kW of as-used daily demand, as described in the "Determination of Demand" Section of this Service Classification)

	<u>Summer Months*</u>	<u>Other Months</u>
Secondary All kW @	\$0.5359 per kW	\$0.3934 per kW
Primary All kW @	\$0.4995 per kW	\$0.3810 per kW

\* June – September

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**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY: (Continued)**

(1) Customer Charges and Delivery Charges (Continued)

- (b) Rate 2: Applicable to demand-metered customers that would otherwise be eligible for service under Service Classification No. 3 or Service Classification No. 21 of this Rate Schedule.

Customer Charge                      \$102.74

Delivery Charges

Contract Demand Charge (per kW of contract demand, as described in the "Determination of Demand" Section of this Service Classification)

All kW @                                  \$6.02 per kW

As-Used Daily Demand Charge (per kW of as-used daily demand, as described in the "Determination of Demand" Section of this Service Classification)

	<u>Summer Months*</u>	<u>Other Months</u>
All kW @	\$0.4402 per kW	\$0.3128 per kW

\* June – September

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY: (Continued)**

(1) Customer Charges and Delivery Charges (Continued)

- (c) Rate 3: Applicable to demand-metered customers that would otherwise be eligible for service under Service Classification No. 9 of this Rate Schedule.

Customer Charge \$500.00

Delivery Charges

Contract Demand Charge (per kW of contract demand, as described in the "Determination of Demand" Section of this Service Classification)

Primary All kW @ \$5.07 per kW

Substation All kW @ \$3.54 per kW

Transmission All kW @ \$1.10 per kW

As-Used Daily Demand Charge (per kW of as-used daily demand, as described in the "Determination of Demand" Section of this Service Classification)

		<u>Summer Months*</u>	<u>Other Months</u>
Primary	All kW @	\$0.4473 per kW	\$0.2901 per kW
Substation	All kW @	\$0.3547 per kW	\$0.1961 per kW
Transmission	All kW @	\$0.2371 per kW	\$0.1740 per kW

\* June – September

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**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY: (Continued)**

(1) Customer Charges and Delivery Charges (Continued)

- (d) Rate 4: Applicable to demand-metered customers that would otherwise be eligible for service under Service Classification No. 22 of this Rate Schedule.

Customer Charge \$500.00

Delivery Charges

Contract Demand Charge (per kW of contract demand, as described in the "Determination of Demand" Section of this Service Classification)

Primary All kW @ \$3.99 per kW

Substation All kW @ \$2.47 per kW

Transmission All kW @ \$0.89 per kW

As-Used Daily Demand Charge (per kW of as-used daily demand, as described in the "Determination of Demand" Section of this Service Classification)

		<u>Summer Months*</u>	<u>Other Months</u>
Primary	All kW @	\$0.3489 per kW	\$0.2473 per kW
Substation	All kW @	\$0.2284 per kW	\$0.1479 per kW
Transmission	All kW @	\$0.1894 per kW	\$0.1701 per kW

\* June – September

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY: (Continued)**

(2) Reactive Power Demand Charge

A Reactive Power Demand Charge shall be assessed in accordance with General Information Section No. 7.

(3) Energy Cost Adjustment, System Benefits Charge, Renewable Portfolio Standard Charge, Transition Adjustment for Competitive Services, and Charges for Municipal Undergrounding

The provisions of the Company's Energy Cost Adjustment, Systems Benefit Charge, Renewable Portfolio Standard Charge and Transition Adjustment for Competitive Services as described in General Information Section No. 25, 26, 27 and 29, respectively, and Charges for Municipal Undergrounding as described in General Information Section No. 20, if applicable, shall apply to the electricity delivered under this Service Classification.

(4) Temporary State Assessment Surcharge

The Temporary State Assessment Surcharge as described in General Information Section No. 24 shall apply to electricity delivered under this Service Classification.

(5) Merchant Function Charge

The Merchant Function Charge as described in General Information Section No. 28 shall apply to Full Service Customers. Retail Access customers shall not be subject to this charge.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**RATES – MONTHLY: (Continued)**

(6) Billing and Payment Processing Charge

A Billing and Payment Processing Charge shall be assessed in accordance with General Information Section No. 7.5.

(7) Metering Charges

Metering Charges shall be assessed on all customers taking service under this Service Classification, unless such metering service(s) is obtained competitively pursuant to General Information Section No. 7. The customer shall be assessed the metering charge set forth in the service classification under which the customer would receive service if it did not take service under this service classification.

(8) Market Supply Charge

Customers that purchase their energy from the Company will be subject to the Market Supply Charge set forth in General Information Section No. 15 of this Rate Schedule. Customers served under this Service Classification are eligible to purchase their energy from an Energy Service Company under the provisions of Rider I of this Rate Schedule.

(9) Increase in Rates and Charges

All rates and charges for service under this Service Classification will be increased pursuant General Information Section No. 19 of this Rate Schedule.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**METERING AND COMMUNICATIONS EQUIPMENT:**

A demand-measuring device is required for billing under this Service Classification. Such meter may include equipment either to prevent reverse meter registration or to separately measure customer-generated electricity and electricity delivered by the Company. Interval metering shall be required for all customers billed under this Service Classification. Eligible customers may elect to own their own meter and may elect other competitive metering services in accordance with the provisions of General Information Sections Nos. 7 (3) "Customer Meter Ownership" and 7(4) "Competitive Metering Services" of this Rate Schedule.

The initiation of billing under this Service Classification requires the establishment of a contract demand, expressed in kilowatts ("kW"), determined in accordance with the section "Determination of Demand". Customers with interval metering that is Company-owned will be responsible for the costs of the metering equipment and the installation of such equipment above the costs the Company would have incurred had the customer taken service under the otherwise applicable service classification of this Rate Schedule. Company supplied metering equipment shall remain the property of the Company. Such costs shall be included as an element of the "Interconnection Charge".

Remote meter reading capability is required for all customers with interval metering. The customer shall be responsible for providing, installing and maintaining all communications to the meter. All such communications equipment shall be installed and maintained at the customer's expense. Such equipment shall be installed and maintained in accordance with Company specifications. The customer shall provide the Company access to a direct-dial, voice grade, public switched telephone network analog connection to the meter, subject to Company approval, to be used exclusively for meter reading functions. The customer shall also be responsible for payment of all telephone service bills associated with such telephone line.

In cases where the Company is unable to read the meter through a customer provided telephone line, and the Company has determined that the problem is not caused by the Company's meter or equipment, the customer will be assessed \$50.00 on each monthly cycle billing date until the condition is corrected. For each billing cycle the telephone line is not operational the Company shall make, and charge the customer for, an on-site meter reading in accordance with Section No. 7(D)(2)(a)(vi) of this Rate Schedule. If the Company is unable to obtain a meter reading, an estimated bill will be issued.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**INTERCONNECTION REQUIREMENTS:**

The customer's generating plant and the Company's system may be operated in parallel or isolated operation by means of a double-throw switch as required subject to the customer's compliance with the design requirements and operating rules and procedures discussed below.

The following provisions apply to generators operated in parallel with the Company's distribution system:

- (1) The following provisions are applicable to customers with private generation facilities on their premises that (i) commenced operation between February 1, 2000 and December 30, 2004, have a total nameplate rating of 300 kVA or less, and are connected in parallel with a radial distribution feeder or; (ii) commenced operation after December 30, 2004, have a total nameplate rating of 2 MW or less, and are connected in parallel with the distribution system:
  - (a) Customers' applications for service under this Service Classification for generation facilities with a total nameplate rating of 2 MW or less and applications for single phase generating equipment with a total nameplate rating of 15kW or less shall be made using the applicable application form set forth in the Addendum – SIR to this Rate Schedule.
  - (b) The conditions under which generating equipment shall be interconnected and operated in parallel with the Company's system are set forth in the Addendum - SIR. Assuming the conditions of the Addendum - SIR are met, the Company and the customer shall execute the New York State Standardized Contract set forth in the Addendum – SIR.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**INTERCONNECTION REQUIREMENTS: (Continued)**

- (2) The following provisions are applicable to customers with private generation facilities on their premises not connected directly to transmission facilities above 138 kV that (i) commenced operation prior to February 1, 2000; or (ii) commenced operation between February 1, 2000 and December 30, 2004 and either have a total nameplate rating between 301 kVA and 2 MW or between 401 kW and 2 MW in the case of Farm Waste Generators or are connected in parallel with a network system; or (iii) have a total nameplate rating greater than 2 MW and are connected in parallel with the distribution system:
- (a) Such facilities shall be subject to the interconnection standards set forth in the Company's "Operating, Metering, and Equipment Protection Requirements For Parallel Operation of Generating Facilities" appropriate for the nameplate rating of the customer's generator.
- Customers connecting to transmission facilities above 138 kV shall be subject to interconnection requirements imposed by the NYISO.
- (b) All requests for parallel operation will be reviewed on a case-by-case basis. Parallel operation will be permitted only if, and to the extent, such operation does not jeopardize the adequacy or reliability of service to the Company's other customers. Failure of the customer at any time to comply with the terms and conditions specified by the Company in order to permit parallel operation will result in the customer forfeiting its right to operate in parallel with the Company's system. In the event a customer forfeits its right to operate in parallel with the Company's system, the customer will be required to bear the reasonable expense associated with disconnecting the customer's private plant from the Company's system. Where there is a dispute between the customer and the Company with respect to the standards and charges for interconnection, the customer may apply to the Commission for a ruling in the matter.
- (c) The customer is solely responsible for providing adequate protection for customer's facilities operating in parallel with the Company's system. Except where caused by the Company's negligence, the Company will not be liable for, and the customer shall indemnify and hold the Company harmless, for damages to the property of the Company or others or injuries to persons arising out of any occurrence related to the customer's ownership, use or operation of the customer's facilities.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**INTERCONNECTION REQUIREMENTS: (Continued)**

- (3) Backfeed of power into the Company's system will not be permitted under this Service Classification.

The following provision applies to generators operated separately from the Company's distribution system:

A customer planning to install generating equipment that does not operate in parallel with the Company's system shall submit to the Company, prior to installation, equipment specifications which demonstrate that the customer's generating equipment cannot be operated in parallel with the Company's system.

**DETERMINATION OF DEMAND:**

- (1) Contract Demand

A contract demand, expressed in kilowatts ("kW"), must be established for each account prior to the initiation of service under this Service Classification. Contract demand for the purposes of this Service Classification shall mean the customer's maximum potential demand. A customer may establish its contract demand in its application for service or any time thereafter. If the contract demand is not stated in the application, the Company will establish the contract demand in accordance with the provisions set forth below. Customers taking service under Rate 2 of this Service Classification must contract for at least 100 kW of contract demand.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**DETERMINATION OF DEMAND: (Continued)**

(1) Contract Demand (Continued)

At the customer's request or if the customer does not state its contract demand, the Company will determine, and may thereafter re-determine, the customer's contract demand in accordance with the principles set forth below. Upon receipt of the determination of the contract demand from the Company, a customer may elect to establish its own contract demand, subject to the surcharge and the other provisions applicable to customers that set their own contract demand. Where the customer accepts a Company-set contract demand, no penalties will apply if the contract demand is exceeded.

- (a) If the customer received service from the Company under this Rate Schedule for the past 24 months and is newly installing on-site generation equipment, the contract demand shall be the customer's maximum 15-minute integrated demand occurring during the previous 24 months, subject to the following reasonable adjustments (i) upward, for the effect of abnormally cool summer period weather conditions or abnormally warm winter period weather conditions on the customer's temperature-sensitive load at the time that the customer's maximum 15-minute integrated demand occurred, (ii) upward, to reflect the diversified demand imposed on the Company's delivery system by equipment on the customer's premises that was not operating, but that could have been operating, when the customer's maximum 15-minute integrated demand occurred, and (iii) upward or downward, for permanent changes to the electrical load in the customer's premises through changes in equipment subsequent to the registration of the customer's maximum 15-minute integrated demand. Such adjustments will be reasonably determined through the Company's engineering analyses and information supplied by the customer at the Company's request.
- (b) If a new customer or a customer that received service from the Company for less than 24 months is newly installing on-site generation equipment, the contract demand shall be the service capacity, expressed in kW, requested in the customer's application for service, reasonably adjusted to take into account the Company's engineering evaluation of the customer's electrical equipment and its diversity of load. Where the customer does not supply this information in an application for service, the contract demand will be reasonably determined through the Company's engineering analyses of the customer's electrical equipment and its diversity of load, premises to be served, and information supplied by the customer at the Company's request.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**DETERMINATION OF DEMAND: (Continued)**

(1) Contract Demand (Continued)

- (c) If the customer received service from the Company for on-site generation at the premises for at least the past 24 months, and interval metering registers electricity served by all sources, including the Company's system and the on-site generating equipment, the contract demand shall be the customer's maximum 15-minute integrated demand served by all sources during the past 24 months, subject to the adjustments set forth in (a) above. No amount will be added to the contract demand for customer's on-site generation capacity if the customer demonstrates that its generating equipment was not operating during the period of the customer's maximum 15-minute integrated demand. If the customer received service from the Company for on-site generation at the premises for at least the past 24 months, and interval metering did not measure electricity supplied by all sources, the contract demand shall be the sum of the customer's maximum 15-minute integrated demand during the most recent 24 months and the total nameplate rating of the generating equipment, subject to the adjustments set forth in (a) above.

Where the customer sets its own contract demand and the customer's monthly maximum demand exceeds its contract demand by more than ten percent but less than 20 percent, a surcharge equal to 12 times the applicable contract demand rate for the excess in demand shall apply to the monthly bill in which the maximum demand exceeded the contract demand, provided, however, that the surcharge will be waived upon the first incidence of such excess demand in the first year of operation if the bill has a to-date on or before January 31, 2007. If a customer's monthly maximum demand exceeds its contract demand by 20 percent or more, a surcharge equal to 24 times the applicable contract demand rate for the excess in demand shall apply to the monthly bill in which the maximum demand exceeded the contract demand.

Without regard to who sets the customer's contract demand, if the customer's monthly maximum 15-minute integrated demand exceeds the contract demand, such higher demand shall become the contract demand for that month and each month thereafter until exceeded by a still higher monthly maximum demand, which in turn shall likewise be subject to the foregoing conditions.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**DETERMINATION OF DEMAND: (Continued)**

(1) Contract Demand (Continued)

A customer who chooses its own contract demand may revise its contract demand downward once every twelve months. The new contract demand cannot be set lower than the customer's monthly maximum demand experienced in the previous twelve months unless the customer demonstrates, based on an engineering analysis submitted to the Company, that electricity-consuming equipment is removed or abandoned in place, or permanent energy efficiency or load limiter equipment is installed. No retroactive adjustment will be made for a reduction in the contract demand. Any customer may revise its contract demand upwards at any time. All requests for a change in contract demand level must be submitted to the Company in writing.

The effective date of the revised contract demand shall be the next billing cycle following the Company's receipt and approval of the customer's written request, provided such request is received within 10 days prior to the first day of the next billing cycle.

The contract demand charge, excluding any surcharge amount for exceeding the contract demand, is determined by multiplying the customer's contract demand by the applicable contract demand rate.

(2) As-Used Daily Demand

The as-used daily demand shall be the customer's maximum daily 15-minute integrated demand occurring each weekday (Monday – Friday) during the hours of 8:00 AM to 11:00 PM, inclusive, excluding holidays. For purposes of this section, the holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

A customer who is a wholesale generator will not be charged the as-used daily demand charge for periods during which it self-supplies all of its energy needs from behind the meter.

The as-used daily demand charge shall be determined for each applicable day of the billing period by multiplying the customer's as-used daily demand by the applicable as-used daily demand charge rate. The as-used daily demand charges shall be accumulated for the billing period and billed monthly.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**INTERCONNECTION CHARGES:**

Customers taking service under this Service Classification shall be subject to the following interconnection charges:

- (1) Customers with generation facilities on their premises that (1) commenced operation between February 1, 2000 and December 30, 2004, have a nameplate rating of 300 kVA or less, and are connected in parallel with a radial distribution feeder; or (2) commenced operation after December 30, 2004, have a total nameplate rating of 2 MW or less, and are connected in parallel with the Company's distribution system shall be subject to the following interconnection charges:
  - (a) An advanced payment for the estimated costs of any equipment and facilities installed on the Company's system, including metering, necessary to permit operation of the customer's generation facilities in parallel with the Company's system.
  - (b) A cost based advanced payment for the estimated cost of the Company's review of the customer's proposed interconnection design package and for any studies performed by the Company to ensure the safety and reliability of the electric system with respect to the interconnection of the customer's generation facilities, including a non-refundable application fee of \$350 payable at the time of application. The application fee shall not apply to units with a total rating of 15 kW or less.
  - (c) The Company shall reconcile its actual costs of items (a) and (b) with the advance payments made by the customer, and the customer shall pay or the Company shall refund, without interest, the difference.
- (2) The following provisions are applicable to customers with private generation facilities on their premises not connected directly to transmission facilities above 138 kV that (1) commenced operation prior to February 1, 2000; or (2) commenced operation between February 1, 2000 and December 30, 2004 and either have a total nameplate rating between 301 kVA and 2 MW or between 401 kW and 2 MW in the case of Farm Waste Generators, or are connected in parallel with a network system; or (3) have a total nameplate rating greater than 2 MW and are connected in parallel with the distribution system:
  - (a) Such facilities shall be subject to the interconnection standards set forth in the Company's "Operating, Metering, and Equipment Protection Requirements For Parallel Operation of Generating Facilities" appropriate for the nameplate rating of the customer's generator.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**INTERCONNECTION CHARGES: (Continued)**

(2) (Continued)

Customers connecting to transmission facilities above 138 kV shall be subject to interconnection charges imposed under a tariff of the NYISO in addition to any non-duplicative charges set forth in the Company's "Operating, Metering, and Equipment Protection Requirements for Parallel Operation of Generating Facilities" appropriate for the nameplate rating of the customer's generator.

The customer shall make an advanced payment to cover all costs incurred by the Company including, but not limited to, equipment and facilities installed on the Company's system, including metering, deemed necessary by the Company to permit interconnected operations with the customer, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the customer taken service under the otherwise applicable service classification of this Rate Schedule. All such facilities will remain the property of the Company. The amount and timing of such advanced payment and any on-going charges to recover operation and maintenance expenses and any other reasonable costs associated with interconnected operations will be in accordance with the terms and conditions of the contract entered into between the Company and the customer for such interconnected operations.

- (3) Failure of the customer to pay any of the foregoing interconnection charges shall be cause for the termination of service in accordance with the procedures specified in this Rate Schedule.

**TERM:**

The initial term of service shall be one year from the commencement of service hereunder. Thereafter, service is terminable upon ninety days written notice by either party.

**TERMS OF PAYMENT:**

Bills are due when rendered, subject to a late payment charge in accordance with provisions of General Information Section No. 7.6. If a bill is not paid, service may be discontinued in accordance with provisions of General Information Section Nos. 11.1 and 11.2.

**REDISTRIBUTION:**

Sub-metering may be available under certain conditions as contained in General Information Section No. 8 of this Rate Schedule.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS:**

- (A) The following types of customers with on-site generation facilities will be treated as taking service under this Service Classification but billed at the rates and charges of the customer's otherwise applicable service classification if the customer did not have an on-site generation facility. The Interconnection Charge and all other terms and conditions of this Service Classification shall continue to apply to these customers.
- (1) Customers with on-site generation equipment having a total nameplate rating equal to no more than 15 percent of the maximum potential demand supplied by all sources, including the Company's system and the on-site generating equipment.
  - (2) Customers who would otherwise receive service under Service Classification Nos. 1 or 19 of this Rate Schedule and non-demand metered customers that would otherwise receive service under Service Classification No. 2 of this Rate Schedule, provided that they commence operation of their on-site generation facilities on or before May 31, 2015.
  - (3) Customers with contract demands of less than 50 kW; provided, however, the customers with contract demands of less than 50 kW who are not eligible for service under subparagraphs (1) or (2) above, may elect to be billed under this Service Classification. Customers who elect to be billed under this Service Classification must provide 30 days' advance notice to the Company. Billing at the rates and charges of this Service Classification will commence with the customer's first full billing cycle for which interval data is available subsequent to the Company's receipt of notice.

Customers with contract demands less than 50 kW that elect to be billed for standby service under this Service Classification shall be ineligible for any of the phase-ins that may be available to Existing Customers and to Customers with Designated Technologies pursuant to Special Provision D of this Service Classification. Customers with contract demands of less than 50 kW who elect to be billed under this Service Classification will be ineligible for billing under the otherwise applicable service classification of this Rate Schedule for one year subsequent to commencing billing under this Service Classification. Should a customer with a contract demand less than 50 kW elect to discontinue billing under this Service Classification, such customer shall be ineligible for billing under this Service Classification for one year subsequent to making such election.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

- (B) A customer billed under this Service Classification may segregate any portion of the total requirements of its load so that such portion is served exclusively with the Company's service under another appropriate Service Classification of this Rate Schedule. The portion of the load that is segregated and supplied under another service classification shall not be considered in the determination of the customer's contract demand.
- (C) Wholesale generators that take station service through the same bus bar as they supply the wholesale grid are eligible for standby service. For purposes of this section, same bus bar shall be defined as a common point of interconnection between the Company's systems and the customer's systems at the voltage level at which the customer takes service. Standby service shall not apply in cases where the wholesale generator is operating and it supplies all of its electric needs "behind the meter" i.e., the energy does not pass through the point of interconnection between the Company's systems and the customer's systems.
- (D) Billing under this Service Classification for "Existing Customers" and for "Customers with Designated Technologies", as defined below, is as follows.
  - (1) For Existing Customers

For the purposes of this Special Provision, Existing Customer means a customer with a contract demand of 50 kW or greater who has on-site generation equipment having a total nameplate rating equal to more than 15 percent of the maximum potential demand served by all sources and meets one of the following criteria:

- (a) customer has an on-site generation facility that has been taking standby service under the applicable standby service rate of this Rate Schedule as of January 31, 2003, or
- (b) commenced construction of, or executed binding financial commitments for construction of, an on-site generation facility as of January 31, 2003, or
- (c) is named in Appendix C of the Joint Proposal, dated March 11, 2003, in Case 02-E-0780, as a recipient of a New York State Energy Research and Development Authority ("NYSERDA") on-site generation project award, or
- (d) is named in Appendix D of the Joint Proposal, dated March 11, 2003, in Case 02-E-0780, as a recipient of a NYSERDA feasibility study award and commences operation of the on-site generation facility no later than May 31, 2015.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

(D) (Continued)

(1) For Existing Customers (Continued)

Existing Customers will be subject to a phase-in of the Standby Service Rates described below unless the customer makes a one-time election in writing 30 days before commencing operation of its on-site generation facility to be billed at the Standby Service Rates. Customers who elect to be billed at the Standby Service Rates will be billed at such rates commencing with the customer's first full billing cycle for which interval data is available subsequent to the Company's receipt of notice.

(2) For Customers With Designated Technologies

For the purposes of this provision, Customers With Designated Technologies shall mean a customer who meets both of the following criteria:

- (a) has a Contract Demand of 50 kW or greater and has on-site generation equipment having a total nameplate rating equal to more than 15 percent of the maximum potential demand served by all sources; and
- (b) has an on-site generation facility that (i) exclusively uses one or more of the following technologies and/or fuels: fuel cells, wind, solar thermal, photovoltaics, sustainably-managed biomass, tidal, geothermal, or methane waste, or (ii) uses small, efficient types of combined heat and power generation that do not exceed 1 MW of capacity in aggregate and meets eligibility criteria that were approved in the order of the Commission, dated January 23, 2004, in Case 02-E-0780.

Customers With Designated Technologies who commence operation of their on-site generation facility between July 29, 2003 and May 31, 2015, will be billed under their Otherwise Applicable Rate, unless the customer makes a one-time election in writing, no less than 30 days before commencing operation of their on-site generation facility, either to be billed at the Standby Service Rates or to be subject to the phase-in of the Standby Service Rates described below. Billing at the Standby Service Rates will commence with the customer's first full billing cycle following notification, subject to the availability of interval metering.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

(D) (Continued)

(3) Phase-in of Billing under Standby Service Rates

The phase-in of billing under the Standby Service Rates for Existing Customers and for Customers with Designated Technologies shall be as set forth below. For the purposes of this provision, the "Otherwise Applicable Rate" shall mean the rates and charges of the service classification under which the customer would otherwise be billed if the customer did not have an on-site generating facility. For all other purposes, customers billed at the Otherwise Applicable Rate will receive service under this Service Classification, and the "Interconnection Charge" under this Service Classification shall continue to apply. For the purposes of this provision, the "Standby Service Rates" shall mean the applicable rates and charges of this Service Classification.

Commencing with the first billing period beginning on or after February 1, 2004, and ending with the billing period beginning no later than January 31, 2008, bills will be calculated at the Otherwise Applicable Rate.

Commencing with the first billing period beginning on or after February 1, 2008, and ending with the billing period beginning no later than January 31, 2009, bills will be calculated at the Otherwise Applicable Rate plus 25 percent of the difference, if greater than zero, between bills calculated at the Otherwise Applicable Rate and at the Standby Service Rates.

Commencing with the first billing period beginning on or after February 1, 2009, and ending with the billing period beginning no later than January 31, 2010, bills will be calculated at the Otherwise Applicable Rate plus 50 percent of the difference, if greater than zero, between bills calculated at the Otherwise Applicable Rate and at the Standby Service Rates.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

(D) (Continued)

(3) Phase-in of Billing under Standby Service Rates (Continued)

Commencing with the first billing period beginning on or after February 1, 2010, and ending with the billing period beginning no later than January 31, 2011, bills will be calculated at the Otherwise Applicable Rate plus 75 percent of the difference, if greater than zero, between bills calculated at the Otherwise Applicable Rate and at the Standby Service Rates.

Commencing with the first billing period beginning on or after February 1, 2011, bills will be calculated entirely at the Standby Service Rates.

Customers who commence operation of their on-site generation facility between July 29, 2003 and May 31, 2015 and meet the definitions of both Existing Customers and Customers with Designated Technologies, will be considered to be Customers with Designated Technologies for purposes of this provision.

Customers who commence operations on or after February 1, 2008 will join the phase-in at the stage in the phase-in that is applicable when the project enters service.

**SERVICE CLASSIFICATION NO. 25 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

- (E) The Company may enter into individually negotiated agreements for standby service with the following;
- (1) Customers that can demonstrate to the Company's satisfaction that they can economically isolate from the Company's system by installing and operating back-up generation at a lower cost than paying for standby service at the applicable rates and charges of this Service Classification, and would do so without the negotiated rate alternative;
  - (2) Customers that are currently isolated from the Company's system and rely on on-site generating facilities to meet their electrical requirements and would continue to do so without the negotiated rate alternative; and
  - (3) Customers with on-site generating equipment having a total nameplate rating of 50 MW or greater, where no less than 90 percent of the site's energy output, net of station power requirements, is sold into the market place or a third party, The rates and charges negotiated will reflect, when applicable, the characteristics of the specific interconnection arrangements, including, but not limited to, the voltage level of the interconnection, whether the interconnection is bi-directional, and the nature of the Company's facility where the generator is interconnected with the Company's system.

At a minimum, the negotiated rate agreement must provide for a reasonable contribution to the Company's recovery of fixed costs.

The Company shall respond to a customer application for a negotiated agreement within 60 days of its receipt, with a negotiated agreement offer or a written explanation for its rejection of the application.

- (F) All requests for service under this Service Classification must be made in writing.