

SERVICE CLASSIFICATION NO. 15

APPLICABLE TO USE OF SERVICE FOR:

Buyback service where the Company shall purchase energy and capacity, or energy only, from a customer operating an on-site qualifying generating facility subject to the Special Provisions below. Written application upon the Company's prescribed forms is required.

A customer electing to sell energy and capacity to the Company, or energy only, may sell such energy and capacity output to the Company under this Service Classification or under a contract negotiated with the Company. Customer may contract for its electrical requirements under the appropriate service classification for firm, supplemental and/or backup service.

This Service Classification is applicable to:

- (1) purchases of capacity and energy made pursuant to contracts entered into prior to July 1, 2002;
- (2) purchases of energy-only; and
- (3) purchases of capacity and energy from facilities located within the Company's service territory and sized at 2 megawatts or less pursuant to contracts negotiated for such facilities.

The Company reserves the right to limit the amount of capacity and energy it will take from a customer or to refuse to accept a customer under this Service Classification where engineering considerations dictate that such actions are not reasonable.

CHARACTER OF SERVICE:

Continuous 60 cycles, A.C., single or three phase secondary at approximately 120/208 Volts, 120/240 Volts, and 277/480 Volts where available, or three phase primary at approximately 2400/4160 Volts, 7620/13200 Volts, 19900/34500 Volts and 69000 Volts Wye, 34500 Volts Delta and in limited areas 2400 Volts or 4800 Volts Delta, depending upon the magnitude and characteristics of the load and the circuit from which service is supplied.

SERVICE CLASSIFICATION NO. 15 (Continued)

RATE TO BE PAID BY COMPANY - MONTHLY:

The payment rates for customers taking service under this Service Classification or under negotiated contracts that are based upon the Service Classification No. 15 payment rate shall be as follows:

(1) Payment Rate for Energy

The energy payment rates will be a monthly average of the hourly LBMPs in the Day Ahead Market for NYISO Zone G in the rating period when the purchase is made.

For customers delivering energy at the secondary distribution level the LBMP will be increased by a factor of adjustment of 1.05641, rounded to the nearest \$0.00001 per kWh.

(2) Payment Rate for Capacity

The Company will pay for the capacity it purchases under this Service Classification at a rate based on the pre-capability period strip auction price paid by the Company for the capacity it purchases from the NYISO for Zone G prior to the start of each summer and winter capability period.

Sellers opting to sell capacity to the Company will be required to enter into a sales agreement with the Company for the purchase of such capacity. Such agreements must include, among other things, provisions requiring the capacity to satisfy all of the requirements applicable to installed capacity established by the NYISO, including payments for capacity deficiencies, imposed by the NYISO on the seller or on the Company as a result of the seller's failure to satisfy all such requirements.

(3) Adjustment to Rates and Charges

To the extent that a minimum unit rates applies under Section 66-c of the Public Service Law, the annual average rate to be paid under this service classification shall be no less than 6.0 cents per kilowatthour, trued up each month.

SERVICE CLASSIFICATION NO. 15 (Continued)

DEFINITION OF RATING PERIODS:

Period A - 8:00 a.m. to 11:00 p.m. prevailing time, Monday through Friday except holidays, all months.

Period B - 11:00 p.m. to 8:00 a.m. prevailing time, Monday through Friday, all hours on Saturday, Sunday and Holidays, all months.

Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

RATE TO BE PAID BY CUSTOMER - MONTHLY:

(1) Customer Charge

A customer who takes service hereunder and, in addition, takes service under another Service Classification at the same location shall pay a customer charge as follows:

<u>Service Voltage</u>	<u>Contract Demand</u>	<u>Customer Charge</u>
Primary	1000 kW and over	\$140.08 per month
Primary	Under 1000 kW	\$106.62 per month
Secondary	Any kW	\$13.16 per month

All other customers shall pay a customer charge as follows:

<u>Service Voltage</u>	<u>Contract Demand</u>	<u>Customer Charge</u>
Primary	1000 kW and over	\$145.70 per month
Primary	Under 1000 kW	\$112.26 per month
Secondary	Any kW	\$26.15 per month

(2) Contract Demand Charge

The contract demand charge for each billing period shall be as follows:

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RATE TO BE PAID BY CUSTOMER - MONTHLY: (Continued)

(2) Contract Demand Charge (Continued)

	<u>Primary</u>	<u>Secondary</u>
All kW of Contract Demand @	\$3.84 per kW	\$6.31 per kW

(3) Reactive Power Demand Charge:

A Reactive Power Demand Charge shall be assessed in accordance with General Information Section No. 7. If the meter registers no kW demand for a billing period, the Reactive Power Demand Charge shall be applied to the highest kVAr recorded during the billing period.

A customer who takes service hereunder and, in addition, takes service under another Service Classification at the same location shall not be assessed the Reactive Power Demand Charge if all of the customer's reactive power usage is assessed the Reactive Power Demand Charge applicable under the other Service Classification.

(4) Increase in Rates and Charges:

The customer charge and contract demand charge for service hereunder will be increased pursuant to General Information Section No. 19.

MINIMUM CHARGE PAID BY CUSTOMER:

- (A) Monthly - The applicable customer charge, plus the applicable contract demand charge.
- (B) Contract - Twelve times the applicable monthly customer charge, plus the applicable contract demand charges for the initial term.

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DETERMINATION OF CONTRACT DEMAND:

The initial contract demand shall be the nameplate capacity in kW of customer's generation facility less 1) the maximum billing demand used by the customer during the last twelve months immediately preceding the commencement of service hereunder, or 2) the Company's estimate of the maximum annual demand of customer's facilities excluding the customer's generation facilities if customer has not taken service for twelve months.

Thereafter, the contract demand charge shall be adjusted, as necessary, to reflect changes in the nameplate capacity or customer's maximum demand excluding customer's generating facilities.

In no event shall the contract demand be less than zero kW.

TERMS OF PAYMENT:

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

TERM:

The initial term shall be one year. Thereafter, the term shall be continuous until permanently cancelled by the customer upon thirty days written notice. Cancellation by the customer followed by resumption of service at the same location within one year shall not modify in any way the Determination of Contract Demand as provided for above.

SERVICE CLASSIFICATION NO. 15 (Continued)

SPECIAL PROVISIONS:

(A) Qualifying Generation Facility

A qualifying generation facility shall be defined as a generating facility that is a "Small Power Production Facility" or a "Cogeneration Facility" as defined in Section 292.203 (a) or (b) of Title 18 of the Code of Federal Regulations.

(B) Interconnection Costs and Requirements

- (1) The following provisions are applicable to customers that have generating 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; (ii) commenced operation between December 31, 2004 and April 28, 2016, have a nameplate rating of 2 MW or less, and are connected in parallel with the distribution system; or (iii) commenced operation after April 28, 2016, have a nameplate rating of 5 MW or less, and are connected in parallel with the distribution system:
 - (a) Applications for service for generating equipment with a total nameplate rating of 5 MW or less and applications for service for single phase generating equipment with a total nameplate rating of 15 kW or less shall be made using the applicable application form set forth in Addendum - SIR.
 - (b) The conditions under which generating equipment shall be interconnected and operated in parallel with the Company's system are set forth in Addendum - SIR. Assuming the conditions of the SIR are met, the Company and the customer shall execute the New York State Standardized Contract set forth in Addendum - SIR.
 - (c) The installation and parallel operation of generating equipment shall be in accordance with the SIR.

SERVICE CLASSIFICATION NO. 15 (Continued)

SPECIAL PROVISIONS: (Continued)

(B) Interconnection Costs and Requirements (Continued)

(1) (Continued)

(d) The customer shall be subject to the following charges:

- (i) Any application fees that may be required as specified in Addendum – SIR;
- (ii) cost-based advance 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 generating equipment; and
- (iii) advance 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 generating equipment in parallel with the Company's system.

The Company shall reconcile its actual costs of items (i), (ii) and (iii) with the advance payments made by the customer and the customer shall pay or the Company shall refund, without interest, the difference.

SERVICE CLASSIFICATION NO. 15 (Continued)

SPECIAL PROVISIONS: (Continued)

(B) Interconnection Costs and Requirements (Continued)

- (2) The following provisions are applicable to customers that have private generating facilities on their premises connected in parallel with the distribution system and not connected directly to transmission facilities that (i) commenced operation prior to February 1, 2000; or (ii) commenced operation between February 1, 2000 and December 30, 2004, and have a total nameplate rating greater than 301 kVA or 401 kW in the case of Farm Waste Generators or are connected in parallel with a network system; or (iii) or commenced operation after December 30, 2004 and have a total nameplate rating greater than 2 MW:
- (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; and
 - (b) Seller shall pay all connection charges that are in excess of the customer's costs for supplying the Qualifying Facilities maximum expected utility purchase requirements.

Customers connecting to transmission facilities shall be subject to interconnection requirements and interconnection charges imposed under a tariff of the NYISO and 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.

SERVICE CLASSIFICATION NO. 15 (Continued)

SPECIAL PROVISIONS: (Continued)

(B) Interconnection Costs and Requirements (Continued)

(2) (Continued)

The customer and the Company shall agree as to the payment option for interconnection costs, which exceed the costs ordinarily incurred by the Company under the applicable Service Classification. The payment options are as follows:

- (a) The Company will furnish, own, operate and maintain all special equipment, in return for which the customer, or its successors on the site, will pay a monthly charge of 1.5 percent of the total investment costs for the duration of its/their operations on the site, whether or not the equipment is in use.
- (b) The customer will furnish, own and operate all special equipment and the Company will maintain such equipment, in return for which the customer, or its successors on the site, will pay a 9 percent annual operating charge based upon the customer's total investment in such interconnection equipment.
- (c) The customer will furnish, own, operate and maintain all special equipment, provided that the equipment and maintenance are suitable for interconnected operations. Such equipment shall be made available for Company inspection as may reasonably be required.

(C) System Emergency

The Company will be relieved of its obligation to purchase energy during any period in which the Company suffers a system emergency. In such circumstances, the Company will notify the customer to cease supplying energy to the Company. For purposes of this provision, a system emergency is defined as a condition which is imminently likely to endanger life or property or result in significant disruption of service to any customer.

(D) Changes In Facilities

The customer shall provide advance notice to the Company of any planned changes in customer's facilities that would alter the operating mode, customer's demand and energy requirements or customer's generation capacity. No significant changes shall be made without agreement by the Company. The Company shall have the right to inspect its facilities located on customer's property and customer's facilities at all reasonable times.

SERVICE CLASSIFICATION NO. 15 (Continued)

SPECIAL PROVISIONS: (Continued)

(E) Contract Demand Billing Penalty

If the measured demand exceeds the current Contract Demand by 10 percent or less, a surcharge equal to 12 times the monthly Contract Demand charge for such excess demand will apply to that monthly bill, and the Contract Demand will then be determined in accordance with the provisions of Determination of Demand above.

If the measured demand exceeds the current Contract Demand by more than 10 percent, a surcharge equal to 24 times the monthly Contract Demand charge for such excess demand will apply to that monthly bill, and the Contract Demand will then be determined in accordance with the provisions of Determination of Demand above.

(F) Qualifying Small Random Suppliers

Qualifying small, random suppliers of energy (such as windmills) may elect to sell their output to the Company on a non-time differentiated basis. Deliveries will be measured using a standard kilowatthour meter. The customer will pay the installed cost of the necessary metering equipment at the time of installation in lieu of all customer, contract demand and minimum charges otherwise applicable under this Service Classification. This Provision is limited to secondary single phase service voltage.

For electricity purchased by the Company from the customer, the Company will pay the applicable monthly average of the hourly LBMPs in the Day Ahead Market for NYISO Zone G. However, to the extent that a minimum unit rate applies under Section 66-c of the Public Service Law, the annual average rate to be paid to such facilities qualifying for such minimum unit rate shall be 6.0 cents per kilowatthour, trued up each month.

(G) Scheduled Partial Delivery

A customer may, upon 30 days' written notice to the Company, withhold a portion of their measured total energy output. In the event the customer delivers less than the measured output of the qualifying generating facility, the energy delivered shall be assumed to be made proportionately as to the generation along the load curve of the qualifying generating facility for those facilities whose output is measured by a continuous recording demand meter, or proportionately as to the On-Peak and Off-Peak generation for those facilities whose output is measured by a time-differentiated kilowatthour metering device, in either case as such output is actually experienced during the period in which less than the measured output is being delivered.