

SERVICE CLASSIFICATION NO. 10

**NON-RESIDENTIAL DISTRIBUTED GENERATION
FIRM SALES SERVICE**

APPLICABLE TO THE USE OF SERVICE FOR:

Firm Sales Service to any new or existing gas fueled distributed generation (DG) facility that represents generating units designed to provide electricity to a single customer or specific customers within a defined geographical location with generating capacity of less than 50 Megawatts (MW) that maintains a load factor of 50% or more. (Load factor is defined herein as annual usage divided by the (peak winter day demand times 365 days).) Such distributed generation facilities may include, but not be limited to, reciprocating engines, steam turbines, gas turbines and emerging gas technologies such as fuel cells and microturbines. Service under this service classification is available throughout the Company's service territory to which this Schedule applies, providing the Company has facilities available and adequate for the load.

CHARACTER OF SERVICE:

Continuous - natural gas with a Btu content of not less than 975 Btu per cubic foot for the Lockport Area, not less than 950 Btu per cubic foot for the Champlain Area, and not less than 1,000 Btu per cubic foot for all other areas. Normal pressure 7" but not less than 4" water column. At the option of the Company, gas will be supplied at high pressure, where such service is available.

Gas service provided hereunder shall be daily metered and billed separately from gas service provided under any other service classification of the Company, and the use of gas measured by this separate meter for other than the above-described use is expressly prohibited.

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

SERVICE CLASSIFICATION NO. 10 (CONT'D)

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

PRICE (per month):

(1) Gas Delivery Charges:
Effective 07/01/2016:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	\$0.15295	\$0.17880
	Next 14,500 Therms	\$0.08811	\$0.10191
	Over 15,000 Therms	\$0.05420	\$0.06319
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$304.84	\$304.84
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.07702	\$0.08993
	Over 15,000 Terms	\$0.05469	\$0.06299
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,405.24	\$1,405.24
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.08625	\$0.10899
	Next 35,000 Therms	\$0.04647	\$0.05647
	Over 50,000 Terms	\$0.04359	40.05272
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,405.24	\$1,405.24
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	\$1.0000	\$1.0000
	Usage Charge: (per Therm)		
	All Therms over 500	\$0.01318	\$0.01609

SERVICE CLASSIFICATION NO. 10 (CONT'D)

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

PRICE (per month):

(1) Gas Delivery Charges (Cont'd):
Effective 05/01/2017:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	\$0.16774	\$0.19619
	Next 14,500 Therms	\$0.09663	\$0.11175
	Over 15,000 Therms	\$0.05944	\$0.06912
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$330.51	\$330.51
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.08351	\$0.09750
	Over 15,000 Terms	\$0.05469	\$0.06299
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,561.10	\$1,561.10
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.09581	\$0.12111
	Next 35,000 Therms	\$0.05162	\$0.06275
	Over 50,000 Terms	\$0.04359	\$0.05273
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,561.10	\$1,561.10
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	\$1.07000	\$1.07000
	Usage Charge: (per Therm)		
	All Therms over 500	\$0.01406	\$0.01718

SERVICE CLASSIFICATION NO. 10 (CONT'D)

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

PRICE (per month):

(1) Gas Delivery Charges (Cont'd):
Effective 05/01/2018:

A.	Small DG Customer – DG < 5 MW	<u>Summer</u> <u>April–October</u>	<u>Winter</u> <u>November–March</u>
1)	Using 0 to 40,000 Therms/year		
	Basic Service Charge:		
	First 3 Therms or less	\$23.60	\$23.60
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 497 Therms	\$0.18326	\$0.21424
	Next 14,500 Therms	\$0.10558	\$0.12211
	Over 15,000 Therms	\$0.06494	\$0.07572
2)	Using 40,001 to 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$357.39	\$357.39
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.09030	\$0.10539
	Over 15,000 Terms	\$0.05469	\$0.06307
3)	Using > 250,000 Therms/year		
	Basic Service Charge:		
	First 500 Therms or less	\$1,723.55	\$1,723.55
	Bill Issuance Charge (per bill)	\$0.81	\$ 0.81
	Usage Charge: (per Therm)		
	Next 14,500 Therms	\$0.10578	\$0.13277
	Next 35,000 Therms	\$0.05699	\$0.06924
	Over 50,000 Terms	\$0.04359	\$0.05284
B.	Large DG customer – DG 5 MW - <50 MW		
1)	Basic Service Charge:		
	First 500 Therms or less	\$1,723.55	\$1,723.55
	Bill Issuance Charge (per bill)	\$0.81	\$0.81
	Demand Charge: (per Therm of demand)		
	For MDQ over 23 Therms	\$1.15000	\$1.15000
	Usage Charge: (per Therm)		
	All Therms over 500	\$0.01507	\$0.01840

PSC NO. 87 Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

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SERVICE CLASSIFICATION NO. 10 (CONT'D)

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

PRICE (per month): (CONT'D)

(1) Gas Delivery Charges: (Cont'd)

C. Transition Surcharge (TS):

Customers in all areas shall also be charged the applicable Transition Surcharge (TS) pursuant to General Information Section 16 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

D. Surcharge to Collect Temporary State Assessment:

Customers in all areas shall also be charged the Temporary State Assessment per Therm of gas delivered as explained in Section 21 of P.S.C. No. 90 Gas, or superseding issues thereof.

E. System Benefits Charge (SBC):

Customers in all areas shall also be charged the System Benefits Charge (SBC) pursuant to General Information Section 20 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

F. Research and Development (R&D) Adjustment:

The charges set forth herein shall be subject to a R&D Adjustment per Therm of gas delivered as explained in Section 18 of P.S.C. No. 90 Gas or superseding issues thereof.

(2) Gas Supply Charges:

A. Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC):

Customers in all areas shall also be charged the applicable Gas Supply Charge (GSC) or Incremental Gas Supply Charge (IGSC) pursuant to General Information Sections 14 and 15 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

B. Merchant Function Charge (MFC):

Customers in all areas shall also be charged the applicable Merchant Function Charge (MFC) pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

C. Heater Fuel Charge:

A customer shall be subject to the Heater Fuel Charge pursuant to General Information Section 14 of P.S.C. No. 90 Gas, or superseding issues thereof, for all Therm use.

MINIMUM CHARGE (per month):

For all areas, the Minimum Charge is the Basic Service Charge, per meter plus the Bill Issuance Charge, per bill. Additionally, for a large DG customer, the Minimum Charge shall also include the Demand Charge per therm of Maximum Daily Demand Quantity (MDQ), excluding the portion included in the Basic Service Charge. The MDQ shall be determined in the same manner as the Maximum Daily Transportation Quantity (MDTQ) for a transportation customer taking service pursuant to P.S.C. No. 88 Gas. The Minimum Charge shall appear on the Customer's bill whether or not any gas was used during the billing period.

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

PSC NO. 87 Gas

NEW YORK STATE ELECTRIC & GAS CORPORATION

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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, shall be increased by a surcharge pursuant to General Information Rule 3 of this Schedule to reflect the tax rates applicable within the municipality where the Customer takes service.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per term to all terms delivered under this Service Classification (as explained in this Schedule, General Information Rule 9). See RAM Statement.

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 1½% per month shall be billed on all amounts not paid by that date. (Further details can be found in Section 8 of P.S.C. No. 90 Gas, or superseding issues thereof.)

TERM:

The term that a customer may be on this service classification is one year with one-year renewals thereafter. Renewals shall 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 operating 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 shall 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 P.S.C. No. 90 Gas, or superseding issues thereof.
- B. DG customers >5MW but < 50MW are responsible for ensuring a Company approved method of communication with the daily meter reading device, and that a suitable space for such equipment is provided and maintained. The customer shall reimburse the Company for the cost and expense of newly installed daily metering equipment, including communication 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 by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY