

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: August 29, 2005
Effective date postponed to 09/29/2005. See Supplement No. 1.

Leaf No. 312
Revision: 1
Superseding Revision: 0

SERVICE CLASSIFICATION NO. 14

APPLICABLE TO THE USE OF SERVICE FOR:

Electric service to a new or existing non-residential customer that can demonstrate a competitive viable alternative.

A. New Customer:

1. That develops or constructs new facilities, or extensively refurbishes an existing or mothballed facility and has electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

- OR -

2. Certain industrial customers that participate in the Alfred University Incubator Facilities program as described in Section 26 of Chapter 839 of the Laws of 1987 (New York), and "graduate" therefrom, and locate within the developing "Ceramics Corridor" envisioned by the legislation to promote new and emerging technology enterprises in conjunction with the University and the region's industry and local government which are certified as eligible by Alfred Technology Resources Incorporated, and accepted by the Corporation.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

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

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: August 29, 2005
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SERVICE CLASSIFICATION NO. 14 (Continued)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont'd)

B. Existing Customer:

1. That expands its use of electric equipment at its existing facility, requiring:
 - (a) the installation of additional electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

-OR-

- (b) the increased use of existing electric equipment by scheduling, staffing and operating an additional shift, that has not been operated, as such, for at least 1 year utilizing equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).
2. Which has already installed and operates on site self or co-generation facilities; Customer must submit the following documentation:
 - a. A description of existing thermal and electric generation equipment, including all thermal and electric loads;
 - b. A description of the electric generating equipment, including size, annual and hourly fuel consumption and costs. Line pressure of fuel, if natural gas, to site shall also be included;
 - c. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;
 - d. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment;
 - e. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

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

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SERVICE CLASSIFICATION NO. 14 (Continued)

APPLICABLE TO THE USE OF SERVICE FOR: (Cont'd)

CHARACTER OF SERVICE:

Continuous - Alternating Current, 60 Cycle;
Secondary Service at 120, 120/208, 120/240, 208, 240, 240/416, 277/480, or 480 Volts; or
Primary (Distribution) Service at 2,400, 4,160, 4800, 7,200, 8,320, 12,000, 12,470, 13,200, or 34,500 (Regulated)* Volts;
or
Subtransmission Service at 34,500 or 46,000 (Both Non-Regulated) Volts; and 34,500 (Regulated) Volts for
"Grandfathered Customers" only*; or
Transmission Service at 115,000 Volts and above (Non-Regulated*);
Single or Three Phase. (Characteristics depend upon available circuits and equipment.)

*Effective February 15, 2000.

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PSC No: 120 - Electricity
New York State Electric & Gas Corporation
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SERVICE CLASSIFICATION NO. 14 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT:

Determination as to whether or not the Corporation will enter into an Individual Electric Service Agreement will be based on an assessment of the need to attract a Customer's load or expand the Customer's usage and the demonstration of economic benefits to non-participating customers.

Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, such a Customer's eligible load may qualify for an Individual Electric Service Agreement, pursuant to this Service Classification. The Individual Electric Service Agreement will be negotiated to avoid undue discrimination between similarly situated customers.

The Individual Electric Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide such service to the Customer, including but not limited to:

- (A) The term of service.
- (B) The characteristics of service in addition to Character of Service listed above.
- (C) A listing of the rates and charges to be paid for services rendered.
- (D) A statement that the Customer has met all of the requirements of this tariff, including the following:
 - (1) Customer must provide documentation as to its eligibility under "Applicable to the Use of Service For," Sections A and B of this tariff. Customer must also demonstrate proof of the existence of a competitive viable alternative, and its planned procedure to disregard same.

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

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

SERVICE CLASSIFICATION NO. 14 (Continued)

INDIVIDUAL ELECTRIC SERVICE AGREEMENT: (Cont'd)

(D) (Cont'd.)

- (2) The Customer agrees to evaluate and assess in good faith the implementation of energy efficiency improvements in the Customer's facility. This assessment may be accomplished through recommendations from a comprehensive production analysis or energy audit performed for the facility.
- (E) The Customer shall provide, in a form acceptable to the Company, its pricing objective needed to attract the Customer or expand its usage. The pricing objective shall specify the relief from the otherwise applicable standard tariff rate that is necessary to attract the Customer or expand the Customer's load, recognizing contributions towards achieving that objective from other economic development entities.
- (F) The documentation shall demonstrate the Customer's participation in, or efforts to participate in, available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and Economic Development staff employed by the Company. To that end, the Company shall coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or public sector(s). Each Individual Electric Service Agreement shall identify billing procedures provided under the economic development tariff, contract, and programs (including NYPA economic development programs), as appropriate.
- (G) The Individual Electric Service Agreement must be accompanied by a sworn affidavit of the senior manager or officer at the Customer's facility, representing that the information submitted is true and that absent the Individual Electric Service Agreement, the Customer would not have commenced taking or increased the use of electric service from the Company. The affidavit submitted by the Customer shall also include a commitment to continue to assess in good faith the resulting recommendations from any comprehensive production analysis and energy audit for inclusion in the Customer's facility, throughout the term of the Individual Electric Service Agreement.

Each Individual Electric Service Agreement shall be jointly filed with the Public Service Commission ("PSC"), by the Company and the Customer pursuant to the PSC's Order Approving Guidelines For Flexible Rate Service Contracts, issued and effective April 14, 2005 in PSC Case 03-E-1761 (the "April 2005 Order"). The filing and any subsequent information requested by the PSC or its Staff regarding the Individual Electric Service Agreement shall be subject to full confidentiality protection as a trade secret.

A quarterly report shall be filed with the PSC pursuant the April 2005 Order. The report shall be subject to full confidentiality protection as a trade secret.

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: December 1, 2020
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Leaf No. 317
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Superseding Revision: 2

SERVICE CLASSIFICATION NO. 14 (Continued)

RATE:

The specific charges for service under this Service Classification shall be stated in the Individual Electric Service Agreement executed for each Customer served hereunder.

DELIVERY RATE:

The rate contained in an Individual Electric Service Agreement shall, at a minimum, recover the Company's marginal costs plus a contribution toward system costs ("Marginal Cost Floor").

The Marginal Cost Floor is defined as:

$MC_{trans} + MC_{dist} + MC_{ancillary} + NTAC + \text{contribution toward system costs}$

Where:

MC_{trans} is the Company's FERC-approved Transmission Service Charge

MC_{dist} is the Company's marginal distribution costs

$MC_{ancillary}$ is the Company's system load weighted average of the NYISO ancillary services charges for Schedules 1 (fixed and variable), 2, 3, 5, and 6,

NTAC is the NYPA Transmission Access Charge

Unless an updated marginal cost study is attached to the Individual Electric Service Agreement, the marginal costs that are approved by the PSC for use in the development of the Corporation's Excelsior Jobs rates shall be used for determining the Marginal Cost Floor. COMMODITY RATE:

Customer Options:

- The Company may provide electric commodity service at the rate for commodity available in the otherwise applicable Service Classification, as amended or superseded; or
- The Company shall facilitate a Customer's access to market commodity options available from ESCOs by offering the Customer assistance with linking the Customer with an ESCO that shall offer, at a minimum, fixed price commodity for a period of at least six months.

If the Customer's pricing objective, as demonstrated by the Customer, cannot be met by a combination of the above delivery and commodity offerings and other economic development offers, the Company shall evaluate innovative solutions and pursue alternatives in an effort to achieve the Customer's pricing objective, provided that if the Company is the provider of the commodity, then the Company shall not be required to supply that commodity below cost, the commodity shall not be drawn from the Company's existing supply portfolio, and the pursuit of commodity service shall not result in an economic detriment to other customers.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York

SERVICE CLASSIFICATION NO. 14 (Continued)

SURCHARGE TO COLLECT SYSTEM BENEFITS CHARGE ("SBC"):

A System Benefits Charge (as explained in this Schedule, General Information Rule 4) shall be added to each customer bill, as set forth in, and as permitted by, the individual Service Agreement, under this Service Classification. See SBC Statement.

RATE ADJUSTMENT MECHANISM ("RAM"):

The RAM shall be applied per kW to all kW delivered under this Service Classification (as explained in this schedule, General Information Rule 38). See RAM Statement.

EARNINGS ADJUSTMENT MECHANISM (EAM):

The EAM shall be applied per kW delivered under this Service Classification, (as explained in this Schedule General Information Rule 46). The rate shall be set forth on the EAM Statement.

NON-WIRES ALTERNATIVE (NWA) SURCHARGE:

The NWA Surcharge shall be applied per kW delivered under this Service Classification, (as explained in this Schedule General Information Rule 47). The rate shall be set forth on the NWA Statement.

INCREASE IN RATES AND CHARGES:

The rates and charges under this service classification shall be increased by a surcharge pursuant to Section 6 of P.S.C. No. 120 to reflect the tax rates applicable within the municipality where the customer takes service.

TERMS OF PAYMENT:

All bills are rendered at the above rates 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 per month specified in the Service Agreement shall be billed on all amounts not paid by that date.

TERM:

The term of delivery service shall be limited to no more than five years, unless a longer term is approved by the PSC. Prospective adjustments to delivery service may be negotiated by the Company and the Customer, as defined within the Individual Electric Service Agreement.

The term of standard Company-offered commodity service supplied by the Company shall be reflected in the Individual Electric Service Agreement and shall remain in effect for the time periods established in the otherwise applicable Service Classification.

Other commodity options may provide for prospective price changes and term limitations, as defined within the Individual Electric Service Agreement.

If a Customer terminates or breaches an Individual Electric Service Agreement with the Company prior to the expiration of the term in which the price for a non-tariffed commodity option was to remain in effect, the Customer shall be responsible for compensating the Company for any obligations the Company has, or any damages the Company incurs, to a commodity supplier or provider of a financial hedge relating to that price.

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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Reserved for Future Use

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont'd)
APPLICABLE TO THE USE OF SERVICE FOR: (Cont'd)

The baseload (load not subject to reduced pricing under this service classification), of S.C. 14 customers will be eligible for the "Industrial/High Load Factor Rate" Provision as set forth in the otherwise applicable S.C. No. 2, 3 or 7, if such baseload meets those eligibility requirements.

A. New Customer:

1. That develops or constructs new facilities, or extensively refurbishes an existing or mothballed facility and has electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

- OR -

2. Certain industrial customers that participate in the Alfred University Incubator Facilities program as described in Section 26 of Chapter 839 of the Laws of 1987 (New York), and "graduate" therefrom, and locate within the developing "Ceramics Corridor" envisioned by the legislation to promote new and emerging technology enterprises in conjunction with the University and the region's industry and local government which are certified as eligible by Alfred Technology Resources Incorporated, and accepted by the Corporation.

B. Existing Customer:

1. That expands its use of electric equipment at its existing facility, requiring:
 - (a) the installation of additional electric equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

-OR-

- (b) the increased use of existing electric equipment by scheduling, staffing and operating an additional shift, that has not been operated, as such, for at least 1 year utilizing equipment with a total connected demand of at least 300 kilowatts, except at least 250 kilowatts in areas served by the Corporation where distribution facilities are "underutilized" (as determined solely by the Corporation).

Issued in compliance with order in Case 03-E-1761 dated 04/14/05.

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

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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont'd)
APPLICABLE TO THE USE OF SERVICE FOR: (Cont'd)

B. Existing Customer: (Cont'd)

2. Which has already installed and operates on site self or co-generation facilities; customer must submit the following documentation:
 - a. A description of existing thermal and electric generation equipment, including all thermal and electric loads;
 - b. A description of the electric generating equipment, including size, annual and hourly fuel consumption and costs. Line pressure of fuel, if natural gas, to site shall also be included;
 - c. A listing of annual non-fuel operating expenses for the energy facility, including, but not limited to, operating labor, maintenance, consumables, and O&M contract services;
 - d. A detail of other costs for energy facility, including, but not limited to, labor overheads, taxes, insurance, capital improvements, permit fees, and financing on existing equipment;
 - e. A description of areas of concern or difficulty which are adversely impacting current operations of the energy facility.
- C. The first negotiated Service Agreement between the Company and Customer shall be submitted to the Public Service Commission for review. For the initial and subsequent contracts, a summary of each Service Agreement in effect shall be included on a listing appended to this tariff rate schedule, Service Classification No. 14, pursuant to Commission Order Concerning Tariffs Authorizing Individually Negotiated Contracts, issued and effective May 8, 1992 in PSC Case 91-M-0927.

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New York State Electric & Gas Corporation
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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont'd)

SERVICE AGREEMENT:

Upon 30 days notice to the Corporation, and upon acceptance of the application by the Corporation, such a customer's eligible load may qualify for an individual Service Agreement, pursuant to this service classification. The Individual Service Agreement will be negotiated to avoid undue discrimination between similarly situated customers.

The Service Agreement shall contain and specify all terms and conditions necessary for the Corporation to provide such service to the customer, including but not limited to:

- (A) The term of service.
- (B) The characteristics of service in addition to Character of Service listed above.
- (C) A listing of the rates and charges to be paid for services rendered.
- (D) A statement that the customer has met all of the requirements of this tariff, including the following:
 - (1) Customer must provide documentation as to its eligibility under Sections A and B 1. of this tariff. Additionally, customer must agree to the exclusive use of the Corporation's electric energy service during the term of the contract. Customer must also demonstrate proof of the existence of a viable alternative, and its planned procedure to disregard same.
 - (2) The documentation shall demonstrate the customer's appropriate participation in available State and/or local economic development programs as reviewed and attested to by the appropriate agency(ies) and a Certified Economic Developer employed by New York State Electric & Gas Corporation. To that end, the Corporation will coordinate a comprehensive program of development initiatives that are available and applicable from the private and/or state and/or local public sector(s).
 - (3) The documentation shall also include the results of a comprehensive production analysis and energy audit, including, but not limited to process usage, lighting, and HVAC requirements as presented by independent consultants, licensed in New York State as professional engineers, or as otherwise acceptable to the Corporation. The customer agrees to assess in good faith the resulting recommendations from the comprehensive production analysis and energy audit for inclusion in the customer's facility.

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

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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS:

Previous SC 14 Tariff (Cont'd)
SERVICE AGREEMENT: (Cont'd)

- (E) The executed Service Agreement must be accompanied by a sworn affidavit of the senior manager or officer at the customer's facility, representing that the documented information submitted is true and that but for the Service Agreement, the customer would not have commenced taking or increased the use of electric service from the Corporation with the attendant economic development benefits to the Corporation and its other customers, the Community and the State.
- (F) For Service Agreements negotiated after August 1, 1998, NYSEG will not require as a condition of contract, that a customer purchase its Electric Power Supply from the Corporation. An Eligible Customer whose Service Agreement allows and who otherwise qualifies for General Retail Access pursuant to NYSEG's General Information Section 16 of this Schedule may elect to purchase Electric Power Supply from an ESCO.

CONFIDENTIALITY AND TRADE SECRETS:

All information provided by the customer to the Corporation, whether printed, written or verbal, in compliance with this service classification, shall be held in confidence and used only for the purpose of business transacted between the Corporation and the Customer.

Without limiting the foregoing, information furnished by the Customer and required to be submitted to the New York State Public Service Commission shall not be submitted without a request by NYSEG that such information shall be given trade secret protection in accordance with 16 NYCRR 6-1.3. When any such information is required to be submitted to the New State Public Service Commission, New York State Electric & Gas Corporation will notify the customer of such request prior to its submittal.

RATE:

The specific charges for service under this service classification will be stated in the negotiated Service Agreement executed for each customer served hereunder. A summary of the Rates and Charges will be filed with the Public Service Commission, as required, as an addendum to this schedule.

The rate contained in any Service Agreement will, at a minimum, recover the Corporation's marginal cost plus at least 1 cent per kWh ("Marginal Cost Floor"). Such recovery under each Service Agreement will be calculated by using a rolling 12-month methodology. As part of calculating a customer's monthly bill, the Corporation will compare the customer's previous 12-month contracted Service Agreement billed amount to the previous 12-month Marginal Cost Floor amount for the applicable contracted electric usage during that 12-month period. When the contracted Service Agreement billed amount is less than the Marginal Cost Floor amount for that same 12-month period, the Corporation will adjust the customer's current bill to recover that deficiency.

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

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SERVICE CLASSIFICATION NO. 14 (Continued)

SPECIAL PROVISIONS: (Cont'd.)

Customer Charge - Individual Service Agreements Effective Prior to January 1, 2007:

If an Individual Service Agreement that became effective prior to January 1, 2007 refers to the Customer Charge contained within Service Classification Nos. 2, 3 or 7, such Customer Charge shall be defined as including the Bill Issuance Charges, in addition to the Customer Charge, as set forth in the referenced Service Classification Nos. 2, 3 or 7. This definition is necessitated by the Company's unbundling of the Bill Issuance Charges from the Customer Charge.