

GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O

Applicable to Service Classification Nos. 4, 5, 8, 9, 12, and 13
(Subject to the provisions thereof)

O - CURTAILABLE ELECTRIC SERVICE

(A) **Applicability:** To any Customer taking service under Service Classification Nos. 4, 5, 8, 9, 12, or 13 of this Rate Schedule or an equivalent service classification in the Schedule for Retail Access, P.S.C. No. 2 – Retail Access, and to any customer of the New York Power Authority (“NYPA”), the New York City Public Utility Service (“NYCPUS”), or the County of Westchester Public Utility Service Agency (“COWPUSA”) that meets the requirements of this Rider located in a network listed on the Statement of Networks Eligible for Rider O.

(B) **Contracting for Curtailable Electric Service:** Customers may elect to receive curtailable electric service by contracting to provide Load Reduction and/or Load Delivery during the period of curtailment. A Customer with electric generating equipment on its premises may operate the generating equipment during the period of curtailment provided the Customer complies with General Rule III-13(E) or III-13(F), as applicable. The Customer is responsible for determining that its operation of generating equipment at the Company’s request under this program will be in conformance with any governmental limitations on operation. Service under this Rider commences upon the Company’s approval of the interconnection if generating equipment is used and acceptance of the Customer’s application.

The Company reserves the right to exclude a generator from connecting to the Company’s primary distribution feeders when the Company deems it necessary to protect its system, facilities, or other Customers. In addition, the Company may prohibit a Customer from delivering power and energy to the Company’s primary distribution feeders, or limit the amount of power and energy delivered, for operational reasons.

(C) **Period and Duration of Curtailments:**

- (1) Curtailments will be called at the Company’s discretion and shall be limited to weekdays between the hours of 8:00 A.M. and midnight during the Summer Billing Period.
- (2) No single curtailment shall be shorter than four (4) hours or longer than eight (8) hours.
- (3) Only service curtailments directed by the Company under subsections (F) and (G) hereunder shall be deemed curtailments for the purposes of this Rider.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE - Continued

(D) Definitions:

The following terms are defined for purposes of this Rider only:

“Baseline Level” means the average of the monthly maximum demands for the four consecutive monthly billing periods commencing with the first bill issued in June of the prior Summer Billing Period. For new Customers with no prior Summer Billing Period history, the Baseline Level will be the estimated average maximum monthly demand as agreed upon, in writing, by the Company and the Customer.

“Curtailment” refers to limiting demand on the Company’s system through Load Reduction or delivering demand to the Company’s system through Load Delivery, as specified in the Customer’s contract with the Company and for the time period directed by the Company.

“Firm Service Level” means the kilowatt demand level for service taken from the Company’s system that the Customer contracts not to exceed through Load Reduction during a period of curtailment.

“Load Delivery” means power and energy produced by use of on-site generation and delivered to the Company’s primary distribution feeders during a period of curtailment.

“Load Reduction” means load ordinarily supplied by the Company that is displaced by use of on-site generation and/or reduced by the Customer during a period of curtailment.

“Summer Billing Period” refers to the fourmonth period from June 1 to September 30.

(E) Application for Curtailable Electric Service:

- (1) In the Customer's application for curtailable electric service, the Customer must state in writing the Firm Service Level, whether on-site generation equipment will be used, and whether the Customer is applying to curtail service through Load Reduction and/or Load Delivery.

If the Customer is applying to curtail service using Load Reduction, the Customer's specified Firm Service Level must be at least 50 kilowatts below the Customer’s Baseline Level. If the Customer is applying to curtail service using Load Delivery, the Customer must specify the number of kilowatts that the Customer contracts to deliver to the Company’s primary distribution feeders: such amount must be at least 50 kilowatts.

- (2) The Customer must also state in writing the number of curtailments that the Customer will accept, as described in paragraph (K) of this Rider.

- (F) Advance Notice of Curtailment:** Customers will be notified of a service curtailment not less than 30 minutes prior to the start of the service curtailment.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE - Continued

(G) Method of Notification of Curtailment: In the application for curtailable electric service, the Customer shall designate in writing an authorized representative and an alternate representative to receive the notification of curtailment described above at any hour of the day or night during the period from June 1 to September 30. If the Company is unable to contact either of these representatives by telephone or other appropriate means, the Customer shall nevertheless be deemed to have received the notice to curtail service and shall be subject to the penalty provisions of subsection (L) and to the provisions relating to the consequences of a failure to comply with a service curtailment pursuant to subsection (H)(2) to the same force and extent as if such notification actually had been received. General public appeals for load reduction, usually through mass media, shall not be considered notification for a curtailment under this Rider.

(H) Term of Service:

- (1) The term of service under this Rider is an entire Summer Billing Period or the balance of the Summer Billing Period following enrollment during the Summer Billing Period.
- (2) The Company shall have the right to terminate the availability of service under this Rider O to any Customer:
 - (a) who fails to comply twice within a given month during the Summer Billing Period with a service curtailment in accordance with the provisions herein;
 - (b) whose designated representatives, at any time during the period from June 1 to September 30, cannot be contacted by telephone or other appropriate means; or
 - (c) who fails to pay the penalty charges set forth in subsection (L).

In such event, the Customer shall be ineligible to reapply for service under Rider O for the balance of the Summer Billing Period. These remedies shall be in addition to all other remedies that the Company has, including the right to impose late payment charges and to discontinue service for non-payment.

(I) Metering: Each Customer's entire service must be measured by one or more interval meters, and Customers must maintain any associated pilot wiring in good working order. If the Customer's service is not measured by one or more interval meters, provided in connection with other Company service requirements, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability and arrange for telecommunications service, at the Customer's expense, net of any available discount or rebate received by the Customer, before service commences under this Rider. Where the Customer contracts for Load Delivery, such delivery must be separately metered.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE - Continued

(J) Interconnection and Delivery for Load Delivery Customers: A Customer who contracts to receive curtailable electric service through Load Delivery must comply with the following provisions of Service Classification No. 11 of this Rate Schedule: (1) all Common Provisions, including the Interconnection Charge and Determination of Demand, including establishment of a contract demand and installation of appropriate metering to measure the energy delivered to the Company's system, and (2) Special Provision C or D, as applicable. Further, such Customer is required to pay charges as would be required of Customers taking service under Service Classification No. 11. The Customer will pay any costs associated with reinforcing the distribution system and/or adding facilities as may be required for Load Delivery. Load Delivery to the Company's secondary networks is prohibited.

(K) Payment:

- (1) In the Customer's application for curtailable electric service, the Applicant shall state in writing the maximum number of curtailments per Summer Billing Period, or the maximum number of curtailments in the remaining months in the Summer Billing Period if the Customer enrolls in this Rider following commencement of the Summer Billing Period, that it will accept:
 - (a) up to 5 curtailments
 - (b) up to 10 curtailments
 - (c) more than 10 curtailments
- (2) For each calendar month during the Summer Billing Period, a Customer taking service under this Rider shall receive payment based on the maximum number of curtailments that it will accept. The \$/kW rate is shown on the Statement of Curtailable Electric Service Payment Rates, exclusive of the percentage increase in rates and charges. For each calendar month, the payment to a Customer who contracts for Load Reduction will be the product of (a) the applicable \$/kW rate as shown on the Statement of Eligible Networks for Rider O and (b) the difference in kW between the Customer's Baseline Level and Customer's Firm Service Level rounded down to the nearest 10 kW increment, less any penalties for that month. The payment to a Customer who contracts for Load Delivery shall be the product of (a) the applicable \$/kW rate as shown on the Statement of Eligible Networks for Rider O and (b) the amount of capacity that the Customer contracts to deliver to the Company's primary distribution feeders rounded down to the nearest 10 kW increment, less any penalties for that month.
- (3) Payments, net of penalties, will be made by bill adjustment following the end of the Summer Billing Period; provided, however, that aggregators and customers of NYPA, NYCPUS and COWPUSA will be paid by check.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE – Continued

(K) Payment - Continued:

- (4) Energy Payment Rate (applicable to Load Delivery only):
- (a) In the event of a service curtailment, a Customer who delivers power and energy to the Company's primary distribution feeders will be paid for such energy deliveries during each hour of service curtailment based on the actual number of kilowatthours delivered. Payment for each hour of verified energy delivery will be based on the real-time, zonal Locational Based Marginal Price per kWh adjusted for losses. Payment shall be conditioned upon verified performance in accordance with the Customer's contract with the Company.
 - (b) Payment for energy will not be made under this Rider if the Customer receives payment for energy under a similar load delivery program, such as a Special Case Resources or peak load management program implemented by either the Company or another entity, for load delivery during concurrent hours. Rider O Customers taking service under Rider W will be paid under this Rider for load deliveries in excess of their accepted Rider W Bid, expressed in kWh, for concurrent Rider O and Rider W load deliveries.

(L) Penalty for Non-Compliance:

- (1) If the Company determines that a Customer has failed to comply with a requested service curtailment by the beginning of the second hour of the curtailment and for the remaining duration of the curtailment, the Customer shall be liable for a penalty for each such occurrence. If the Customer contracted for Load Reduction, the penalty shall be an amount equal to the product of (a) the maximum \$/kW rate shown on the Statement of Curtailable Electric Service Payment Rates and (b) the difference between the average of the actual hourly kW demands during the curtailment period and the Firm Service Level. If the Customer contracted for Load Delivery, the penalty shall be an amount equal to the product of (a) the maximum \$/kW rate shown on the Statement of Curtailable Electric Service Payment Rates and (b) the difference between the amount of capacity that the Customer contracted to deliver and the actual amount delivered. No penalty shall be applied when Load Delivery cannot be effectuated because the Company's delivery system is not operational.
- (2) Penalties for non-compliance will be strictly enforced.

(M) Limitations on Customer Enrollment: The Company will accept applications for curtailable electric service for each location up to a total curtailable load equal to 125% of the stated megawatt reduction for such location as shown on the Statement of Networks Eligible for Rider O.

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VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE - Continued

(N) Statements:

- (1) The "Statement of Networks Eligible for Rider O" sets forth the locations and load curtailments in megawatts for each location for which Rider O service will be available. The Company, in its sole discretion, may file from time to time during the Summer Billing Period, but no more than once per month, locations and load curtailments per location for which Rider O service will be available.
- (2) The "Statement of Curtailable Electric Service Payment Rates" sets forth the payment rates applicable to Customers who contract for Rider O service. Separate rates will be shown based on the maximum number of curtailments that Customers will accept. The Company, in its sole discretion, may file, from time to time during the Summer Billing Period, but no more than once per month, payment rates per kilowatt of demand for the remainder of the Summer Billing Period. Such rates will be applicable only to Customers who contract for Rider O service beginning with the first month for which such rates will apply.
- (3) Each Statement will be filed with the Public Service Commission no less than three days before commencement of the first month for which such Statement will apply. The Statement will become effective three days after filing with the Public Service Commission.

(O) Aggregation (applicable to Load Reduction only):

- (1) Customers within the same network, who collectively have a load reduction potential of 50 kW or greater, but individually have a load reduction potential of no less than 10 kW, may participate as an aggregation group represented by an aggregator.
- (2) All customers in an aggregation group must accept the same curtailment priority. The aggregator shall state in writing the maximum number of curtailments per Summer Billing Period that the aggregation group will accept.
- (3) All customers of an aggregation group must meet metering and telecommunication requirements of this Rider.
- (4) Service under this Rider commences for an aggregation group upon the Company's acceptance of the aggregator's application and receipt of the aggregator's deposit. The deposit will be the product of (a) the maximum \$/kW rate shown on the Statement of Curtailable Electric Service Payment Rates and (b) two times the difference between the aggregated Firm Service Level and the aggregated Baseline Service Level of the group.
- (5) Incentive payments, less any incurred penalties, will be made by check to the aggregator at the end of the Summer Billing Period. In the event penalties exceed incentive payments, the aggregator will be liable for the penalties due.

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GENERAL INFORMATION - Continued

VI. Service Classification Riders (Available on Request) - Continued

RIDER O - CURTAILABLE ELECTRIC SERVICE - Continued

(O) Aggregation – Continued:

- (6) An aggregator is responsible for the compliance of all customers in an aggregation group and will be liable for any penalty for non-compliance of any one or more customers in the group.
- (7) In the event of a curtailment, only the aggregator will be notified. The aggregator is responsible for notifying all of the customers within the aggregation group.

(P) Arrangements For Load Reductions of Five Megawatts or More: Customers having an aggregate curtailable load of five megawatts or more in a single network, but not less than 50 kW per account, may apply for service under this Rider O or may negotiate a separate arrangement for curtailable electric service. All such negotiated agreements will be filed with and are subject to the approval of or modification by the New York State Public Service Commission.

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