

GENERAL INFORMATION - Continued

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

RIDER P

Applicable to Service Classification Nos. 5, 8, 9, 11, 12, and 13
(Subject to the provisions thereof)

P - Purchases of Installed Capacity

(A) Applicability: To any Customer taking service under Service Classification No. 5, 8, 9, 11, 12, or 13 of this Rate Schedule or an equivalent service classification of the Retail Access Rate Schedule, that meets the requirements of this Rider. This Rider is also available 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. A Customer taking service under this Rider may neither aggregate capacity from various locations nor substitute capacity from one location for another.

Subject to FERC approval of the New York Independent System Operator ("NYISO") Installed Capacity procedures for Special Case Resources ("SCR procedures") and any modification thereof, service under this Rider will be available to a Customer who contracts with the Company in writing to provide a specified quantity of Installed Capacity, of no less than 100 kilowatts, at the direction of and for the hours specified by the NYISO under NYISO SCR procedures. The Customer's application will specify whether the Customer will provide Installed Capacity during a period of service curtailment through Load Reduction and/or Load Delivery. The Customer's application for service under this Rider must specify if the Customer intends to provide Installed Capacity during a period of service curtailment through operation of on-site generating equipment. Such generation equipment must be operated pursuant to General Rule III-13(E) or III-13(F), as applicable. Installed Capacity is to be provided in multiples of 100 kilowatts. Separate applications are required for the winter and summer capability periods.

A Customer taking service under this Rider will be required to comply with all NYISO requirements under NYISO SCR procedures, including but not limited to (i) qualification requirements and requirements for provision of Installed Capacity, as the same may be modified from time to time, and (ii) all governmental limitations on operation of on-site generating equipment. The Company may terminate the availability of service hereunder to any Customer who fails to comply with NYISO requirements.

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.

(General Information - Continued on Leaf No. 158-A-1)

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GENERAL INFORMATION - Continued

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

P - Purchases of Installed Capacity - Continued

(B) Terms Used Hereunder

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

- (1) "Baseline Service Level" for the summer capability period is the average maximum monthly one-hour integrated demand occurring between June 1 and September 30. "Baseline Service Level" for the winter capability period is the average maximum monthly one-hour integrated demand occurring between December 1 and March 31.
- (2) "Firm Service Level" is 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 within that capability period. The Firm Service Level will be established separately for the winter and summer capability periods.
- (3) "Load Delivery" means power and energy produced by use of on-site generation and delivered to the Company's primary distribution feeders at the direction of and for the hours specified by the NYISO under NYISO SCR procedures.
- (4) "Load Reduction" means load ordinarily supplied by the Company that is displaced by use of on-site generation and/or reduced by the Customer at the direction of and for the hours specified by the NYISO under NYISO SCR procedures.
- (5) "Curtailment" refers to Load Reduction and/or Load Delivery as and for the period directed by the NYISO.
- (6) "Installed Capacity Level" is (a) the difference between the Baseline Service Level and the Firm Service Level, rounded down to the nearest 100-kilowatt increment, if the Customer contracts for Load Reduction; or (b) the amount of capacity that the Customer contracts to deliver to the Company's primary distribution feeders, rounded down to the nearest 100-kilowatt increment, if the Customer contracts for Load Delivery.
- (7) "Unforced Capacity Availability" is the Installed Capacity Level adjusted for past performance. The Installed Capacity Level may be revised by the NYISO based on Customer's Unforced Capacity Availability. If the NYISO changes the Installed Capacity Level, the Firm Service Level will also be modified.
- (8) "Summer capability period" is the period May 1 through October 31.
- (9) "Winter capability period" is the period November 1 through April 30.
- (10) "In-city capacity" is capacity located within the New York City electrical boundaries.

(General Information - Continued on Leaf No. 158-B)

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**Issued by Joan S. Freilich, Executive Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003**

GENERAL INFORMATION - Continued

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

P - Purchases of Installed Capacity - Continued

(C) **Advance Notice of Service Curtailment:** The Company will notify Customer of a service curtailment approximately two hours prior to the start of the service curtailment. The Company will also provide a day-ahead advisory of the service curtailment.

(D) Payment for Service Curtailment

(1) Capacity Payment Rate

Customer will be paid for capacity for each month in which the Customer is enrolled under the Rider. The payment amount for each month will be equal to the product of (1) the Installed Capacity Level and (2) the applicable payment rate per kilowatt of demand for the month, as set forth on the Statement of Installed Capacity Payment Rates.

The Statement of Installed Capacity Payment Rates ("Statement") sets forth the applicable payment rates per kilowatt of demand per month for the respective capability period. Separate rates will be applicable to Customers with in-city capacity and to Customers with capacity located in the balance of the Company's service territory. The Company, in its sole discretion, may file from time to time, but no more than once per month, payment rates per kilowatt of demand per month applicable to Customers who did not contract to provide capacity to the Company prior to the Statement's effective date. All rates will be filed on a Statement with the Public Service Commission no less than three days before commencement of the first month for which the rates will apply.

(2) Energy Payment Rate

In the event of a service curtailment, a Customer who provides Installed Capacity through Load Reduction will be paid for energy reductions during each hour of service curtailment. The Company shall determine the Customer's energy reduction in each hour by applying the NYISO methodology selected by the Customer to verified meter readings. The Customer may select a different NYISO methodology once per capability period; such selection will be made in writing to the Company and will be applicable on the first calendar day of the subsequent capability period after receipt of the written notice. A Customer who does not select a methodology will be considered to have chosen the NYISO standard baseline methodology. If at any time there is no NYISO methodology for determining Customers' hourly energy reductions, the Customer's baseline load or hourly energy reduction shall be determined by the Company.

In the event of a service curtailment, a Customer who provides Installed Capacity through Load Delivery will be paid for energy delivery during each hour of service curtailment based on the actual number of kilowatthours delivered.

Payment for each hour of verified energy reduction or delivery will be based on the higher of (a) the real-time, zonal Locational Based Marginal Price per kWh adjusted for losses or (b) an amount specified by the customer on its application, but no more than 50 cents per kWh. The amount specified by the customer shall be in increments of 5 cents per kWh.

(General Information - Continued on Leaf No. 158-B-1)

GENERAL INFORMATION – Continued

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

P - Purchases of Installed Capacity - Continued

(D) Payment for Service Curtailment - Continued

- (3) Payments, net of penalties, will be made on a quarterly basis. Customers of NYPA, NYCPUS and COWPUSA will be paid by check. All others will receive payment by bill credit.
- (4) Payment for energy will not be made under this Rider if the Customer receives payment for energy under a similar service curtailment program, such as a Special Case Resources or peak load management program implemented by either the Company or another entity, for load reductions and/or deliveries during concurrent hours. Rider P Customers taking service under Rider W will be paid under this Rider for load reductions in excess of their accepted Rider W Bid, expressed in kWh, for concurrent Rider P and Rider W load reductions.
- (5) Further information regarding payments under various economic development programs is contained in General Rule III-11(W).

(E) Penalty for Non-compliance

- (1) If the Company is assessed a deficiency penalty by the NYISO, the Company will assign a prorata share of the penalty to Customers who failed to perform as committed.

(General Information - Continued on Leaf No. 158-B-2)

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GENERAL INFORMATION - Continued

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

P - Purchases of Installed Capacity - Continued

- (F) **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 commencing service under this Rider. Where the Customer contracts for Load Delivery, such delivery must be separately metered.
- (G) **Interconnection and Delivery for Load Delivery Customers:** A Customer who contracts to provide 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.
- (H) **Term:** Applications under this Rider will be for one capability period (summer or winter) or for the remaining months in the capability period if service under this Rider begins subsequent to commencement of the capability period. A contract under this Rider will be effective on the first day of the calendar month following the Company's acceptance of the Customer's application and the NYISO's acceptance of the Company's Special Case Resources application. The term will expire on the last day of the capability period.
- (I) **Restrictions as to Availability of this Rider:** Service under this Rider will not be available to Customers receiving service under Rider V.

(General Information - Continued on Leaf No. 158-C)

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**Issued by Joan S. Freilich, Executive Vice President and
Chief Financial Officer
4 Irving Place, New York, N.Y. 10003**