

**GENERAL INFORMATION - Continued**

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

**RIDER U**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM**

- (A) **Applicability:** To any Customer taking service under Service Classification No. 4, 8, 9, 12, or 13 of this Rate Schedule or an equivalent service classification of the Retail Access Rate Schedule, 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”), and to an Aggregator that meets the requirements of this Rider.
- (B) **Contracting for Distribution Load Relief Service:** A Customer or Aggregator may elect to participate under this Rider by contracting to provide Load Reduction and/or Load Delivery during Load Relief Periods designated by the Company. The notice of intent to participate by the Customer or Aggregator must be in writing and must state the amount of Load Relief that the Customer or Aggregator intends to provide and the method(s) that will be used. The amount of Load Relief by a Customer must be at least 50 kW of Load Reduction or at least 50 kW of Load Delivery. The amount of Load Relief by an Aggregator must be at least 100 kW of Load Reduction or at least 100 kW of Load Delivery. If a Customer or Aggregator elects to receive a Summer Reservation Payment pursuant to paragraph (J) of this Rider, the Summer Reservation kW must be stated in writing. A Customer may operate electric generating equipment on its premises during Load Relief periods provided the Customer complies with General Rule III-13(E) or III-13(F), as applicable. The participating Customer or Aggregator is responsible for determining that the 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 or Aggregator’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) **Definitions**

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

"Aggregator" means a party other than the Company that aggregates the load of Customers who collectively have a load reduction potential of 100 kW or greater and is responsible for the actions of the Customers it represents, including performance and, as applicable, penalties.

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

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**GENERAL INFORMATION - Continued**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(C) Definitions - Continued**

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

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

“Load Relief” 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 or Aggregator’s contract with the Company and for the time period directed by the Company.

**(D) Load Relief Period**

- (1) A Load Relief Period is a period of not less than four hours designated by the Company.
- (2) Criteria for Designating a Load Relief Period: If the next contingency would result in a Condition Yellow, or if an eight percent voltage reduction has been ordered, the Company may designate such period as a Load Relief Period. The Company may designate specific networks, feeders or geographical areas in which load relief will be requested. A Condition Yellow exists when the next contingency (excluding breaker failure) either will result in an outage to more than 15,000 customers or will result in some equipment being loaded above emergency ratings.
- (3) Advance Notice of Load Relief Period: The Company will notify Customers or Aggregators (as specified in paragraph K) no less than 30 minutes in advance of the commencement of a Load Relief Period. The Customer or Aggregator shall designate in writing an authorized representative and an alternate representative to receive the notice.

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GENERAL INFORMATION – Continued

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

- (E) **Term of Service:** Service under this Rider will be available upon the Company's receipt of a completed application. Customers or Aggregators may terminate service under this Rider upon written notice to the Company; provided, however, that a Customer or Aggregator who receives a Summer Reservation Payment pursuant to paragraph (J) may terminate service under this Rider prior to October 31 of the contract year only if the Summer Reservation Payment(s) have been returned to the Company.
- (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 discount or rebate received by the Customer, before the Customer's application shall be accepted for service under this Rider; provided, however, that during the 2007 Summer Reservation Payment program, Customers and Aggregators who are enrolled in the NYISO's Special Case Resources Program ("SCR"), but do not have interval meters and associated telecommunications service used by the Company for billing, may participate in this Rider's Summer Reservation Payment program up to the kW amount that such Customers/Aggregators have enrolled in the NYISO SCR Program if they: (a) provide to the Company, in the format prescribed by the Company, the same data as would be provided to the NYISO if the NYISO called an event under the SCR Program, or the same data if the NYISO calls an event, including any updates, and (b) report to the Company the results of any audit or verification conducted by the NYISO under the SCR Program within ten days of such audit or verification. 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, or a Customer whose Aggregator 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 be 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) Where part of the Customer's requirements are served under Rider Q of this Rate Schedule and/or in part by NYPA, NYCPUS or COWPUSA, Load Relief for service under each applicable economic development program will be calculated as specified in General Rule III-11(W).
- (I) **Payment for Load Relief**
- (1) The Company will make payment to a Customer or Aggregator under this Rider for Load Relief that the Company can verify during designated Load Relief Periods. The Company will not make payment hereunder unless it can verify a Load Reduction or Load Delivery of at least 50 kW by a Customer or at least 100 kW by an Aggregator for at least four consecutive hours during any Load Relief Period. Where the Customer or Aggregator provides Load Reduction, the Company shall determine the baseline load or load reduction in each hour by applying the New York Independent System Operator ("NYISO") methodology selected by the Customer or Aggregator.

(Continued on Leaf No. 158-R-1)

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**GENERAL INFORMATION – Continued**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(I) Payment for Load Relief - Continued**

(1) - Continued

A Customer or Aggregator may change its methodology by notifying the Company in writing; such change will be applicable beginning the first calendar day of the subsequent month after receipt of the written notice. A Customer or Aggregator 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' baseline load or hourly load reduction, the baseline load or hourly load reduction shall be determined by the Company. Where the Customer or Aggregator provides Load Delivery, the Company shall determine the load delivered to the Company's system based on actual deliveries to the Company's system.

(2) Payment will be calculated as follows:

(a) For a Customer taking service under this Rate Schedule, except for Rider Q:

For each hour during a Load Relief Period, the payment will be based on the real-time, zonal Locational Based Marginal Price ("LBMP") per kWh adjusted for losses minus the sum of the otherwise applicable monthly energy charge component of the Market Supply Charge ("MSC") and the Adjustment Factor – MSC, but no less than 50 cents per kWh.

(b) For a Customer taking service under Rider Q or under the Retail Access Rate Schedule, or for a customer of NYPA, NYCPUS or COWPUSA:

For each hour during the designated Load Relief Period, the payment will be based on the real-time, zonal Locational Based Marginal Price ("LBMP") per kWh adjusted for losses minus the sum of the monthly energy charge component of the MSC and the Adjustment Factor – MSC that would have been applicable to the customer if the customer were taking service under this Rate Schedule, but no less than 50 cents per kWh.

(c) The sum of the amounts so calculated for the hours of the Load Relief Period(s) will be the amount paid the Customer or Aggregator. Payments will be made on a quarterly basis. Aggregators and customers of NYPA, NYCPUS and COWPUSA will be paid by check. All others will receive payment by bill credit.

(d) Further information regarding payments under various economic development programs is contained in General Rule III-11(W).

(3) Payment for energy will not be made under this Rider if the Customer receives payment for energy under Rider P or a similar load relief program, such as a Special Case Resources or peak load management program implemented by either the Company or another entity, for load relief during concurrent load relief hours. Payment for Rider U Customers taking service under Rider W will be made under this Rider for load relief in excess of the Customer's accepted Rider W Bid, expressed in kWh, for concurrent Rider U and Rider W load reductions. Payment for Rider U Customers taking service under Rider V will be the higher of the amount payable under Rider U and the amount payable under V for concurrent load relief hours. Summer Reservation Payments will be made under this Rider independent of whether payments are made for capacity under any other program.

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

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**GENERAL INFORMATION – Continued**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(J) Summer Reservation Payments**

(1) Reservation Payments

A Customer or Aggregator will receive Summer Reservation Payments if such Customer or Aggregator agrees in writing to respond to six Load Relief Periods, each for a period of four hours, if designated by the Company in a specific network during the effective Summer Capability Period (defined as May 1 through October 31) (“Mandatory Participation”). A Customer or Aggregator who receives payment for Mandatory Participation will receive additional payment(s) if such Customer or Aggregator responds to more than six Load Relief Periods in a specific network during the Summer Capability Period and/or responds to a Load Relief Period of more than four hours in any Summer Capability Period month (“Voluntary Participation”).

Different Summer Reservation Payments are applicable to Tier 1 and Tier 2 networks. Tier 2 payments are applicable in networks that the Company identifies to be of a higher priority than Tier 1 networks. The total demand response resource eligible for Tier 2 payments is capped at 100 MW. The total demand response resource eligible for Tier 1 and Tier 2 payments is capped at 400 MW.

Tier 1 Summer Reservation Payments, per kW per month during the Summer Capability Period, are as follows:

(a) Mandatory Participation:

\$3.00 per kW per month if the Customer or Aggregator agrees to respond to six Load Relief Periods, each for a period of four hours, if designated in a specific network during the Summer Capability Period.

(b) Voluntary Participation:

(i) Additional \$1.00 per kW per month if the Customer or Aggregator responds to more than six but fewer than ten Load Relief Periods in a specific network during the Summer Capability Period, and/or if the Customer or Aggregator responds to a Load Relief Period of more than four hours but less than eight hours in any Summer Capability Period month; or

(ii) Additional \$1.50 per kW per month if the Customer or Aggregator responds to ten or more Load Relief Periods in a specific network during the Summer Capability Period, and/or if the Customer or Aggregator responds to a Load Relief Period of eight or more hours in any Summer Capability Period month.

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**GENERAL INFORMATION – Continued**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(J) Summer Reservation Payments - Continued**

(1) Reservation Payments - Continued

(b) Voluntary Participation - Continued

Payments for Voluntary Participation will be calculated based on the average kW of Load Relief provided per hour subsequent to the fourth hour of the Load Relief Period. A Customer or Aggregator who responds to more than six Load Relief Periods during the Summer Capability Period will receive payment for Voluntary Participation for each of the months of the Summer Capability Period. A Customer or Aggregator who responds to a Load Relief Period of more than four hours will receive payment for Voluntary Participation for the month in which such Load Relief was provided. If the Customer or Aggregator would be eligible in any month for payments specified in both subsection (b)(i) and (b)(ii) above, the amounts will not be cumulative. The higher amount will apply.

Tier 2 Summer Reservation Payments, per kW per month during the Summer Capability Period, are equal to 150% of the Tier 1 payment rates specified above.

The Company must be able to verify the entire contracted Load Reduction and/or Delivery Amount for each hour of each designated Load Relief Period. To perform such verification, the Company will use the Average of Peak Monthly Demands (APMD) methodology used by the NYISO. Performance of an Aggregator will be measured on a portfolio basis by network.

(2) Penalties

If the Company determines that the Customer or Aggregator did not provide the entire contracted Load Reduction and/or Delivery Amount during each hour of the first four hours of one or more designated Load Relief Periods in a Summer Capability Period month, such Customer or Aggregator will be subject to a penalty. The penalty will be equal to 150% of the Summer Reservation Payment for Mandatory Participation times the maximum amount of kW of contracted Load Relief not provided in any hour of the first four hours of any Load Relief Period designated that month.

(3) Application of Payments and Penalties

Summer Reservation Payments, if applicable, will be calculated on a monthly basis. Payments to Customers enrolled in the program will be posted to their accounts. Payments to Aggregators and customers of NYPA, NYCPUS and COWPUSA will be made by check or wire transfer. If penalties are assessed, the Company will deduct the penalty amounts from any payments that may be due from the Company. Any remaining balance must be paid to the Company.

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**GENERAL INFORMATION – Continued**

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

**U – DISTRIBUTION LOAD RELIEF PROGRAM - Continued**

**(J) Summer Reservation Payments - Continued**

(4) Term

Applications under this Rider must be made in writing and received prior to the start of each effective Summer Capability Period; provided, however, that: (a) applications will be accepted from Customers or Aggregators in any month during the 2007 Summer Capability Period, and (b) applications will be accepted in any month during any Summer Capability Period from new Customer accounts that did not exist prior to May 1 of that Summer Capability Period. Service under this Rider will commence on the first day of the calendar month in the Summer Capability Period following the Company's acceptance of the Customer's application, except as specified below. The term will expire on the last day of the effective Summer Capability Period.

Customers and Aggregators may commence participation in the 2007 Summer Reservation Payment program in August 2007 if they submit applications no later than August 15, 2007; provided, however, that Customers and Aggregators who enroll after July 27, 2007 will receive half the otherwise applicable Summer Reservation Payment for the month of August.

**(K) Aggregation**

- (1) All customers of an Aggregator who provide Load Reduction must accept the same methodology for determining baseline load or load reduction, as described in paragraph (I) of this Rider.
- (2) All customers of an Aggregator must meet the metering and telecommunications requirements of this Rider.
- (3) An Aggregator is responsible for the compliance of all customers in its aggregation group and will be liable for any penalty for non-compliance.
- (4) In the event the Company designates a Load Relief Period, only the Aggregator will be notified. The Aggregator is responsible for notifying all of the customers within the aggregation group.

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