

## GENERAL INFORMATION - Continued

### 7. Service Classification Riders (Available on Request) - Continued

#### RIDER G - Customer Sited Supply Pilot Program

##### A. Applicability and Definitions

For the purchase of steam by the Company from a Customer that has a Combined Heat and Power (“CHP”) facility on its premises connected to the Company’s steam system and whose primary purpose is to provide power, heating, and lighting to such premises. To participate under this Rider, the CHP facility must be a natural gas-fueled cogeneration facility that utilizes the Company’s firm gas service for the delivery of gas supply to the CHP facility and captures the heat waste as a byproduct of electric production. The Customer must be billed under SC 4 for its back-up/supplementary service or isolated from the Company’s steam system for its on-site steam requirements. Service is not available under this Rider to Customers that operate either a boiler-only plant (i.e., a boiler not associated with a CHP unit) or a CHP unit not associated with a host load in a building. Service under this Rider is limited to a maximum of five participants for an aggregate Contracted Export Quantity of no more than 50 Mlb/hr in any month in any operating period.

Definitions, for purpose of this Rider only:

“Anniversary Date” is the first day of the calendar month during which the Customer first exported steam to the Company.

“Contracted Export Quantity” or “CEQ” is the quantity of steam, expressed in Mlb/hr, that the Customer contracts to export in each calendar month over the 12-month period commencing on the Anniversary Date. The CEQ must be no less than 2 Mlb/hr nor more than 40 Mlb/hr. The Customer must contract to export steam during the primary operating period in all 12 months and, at the Customer’s election, may contract to export steam during the secondary operating period in the months of April through November. Different CEQs may be established for each of the 12 months and for the primary and secondary operating periods in the months of April through November.

“Maximum Export Quantity” or “MEQ” is the Customer’s highest CEQ approved for the 12 calendar months that commenced on the Anniversary Date.

“Primary operating period” is: (a) all hours during the calendar months of December through March, plus (b) Monday through Friday, 6 am to 6 pm, during the calendar months of April through November.

“Secondary operating period” is all hours during the calendar months of April through November except for Monday through Friday, 6 am to 6 pm.

##### B. Term of Service

Service under this Rider is terminable by the Customer at any time after one year of service under this Rider upon thirty days’ prior written notice and by the Company in accordance with law or the provisions of this Rate Schedule. The Company may petition the Commission to terminate service under this Rider to all participants on or after December 31, 2030, if the Company deems that continuation of the program is no longer in the best interests of the Company’s steam Customers.

## GENERAL INFORMATION - Continued

### 7. Service Classification Riders (Available on Request) - Continued

#### RIDER G - Customer Sited Supply Pilot Program - Continued

##### C. Applications for Service and CEQ Changes

1. Applications for service under this Rider will be accepted through December 31, 2020. Applications must be made electronically or in writing upon the application form set forth at [www.coned.com/steam](http://www.coned.com/steam). Each application must include the nameplate rating for both the thermal output and electric output of the CHP technology and the Customer's requested CEQs for each 12-month period, which must be established by a professional engineer retained by the Customer.
2. The Company will evaluate completed applications for service under this Rider on a case-by-case basis as received. Customer-requested CEQs will be accepted and capacity will be reserved for the primary operating period and the secondary operating period in the order in which the application is approved by the Company. Due to the need to ensure that the Customer Sited Supply Pilot Program works in a safe and reliable manner, the Company's evaluation and acceptance of an application will include consideration of the following criteria:
  - a. the effect of the CHP facility's interconnection on the safety and integrity on the Company's steam system, e.g., pressure, temperatures, steam quality, and flow rates;
  - b. the availability of Customer-generated steam, e.g., the CHP facility's installation date, plant capacity, on-site needs, supply profile, location, and participation in electric demand response programs;
  - c. the operating profile of the CHP facility, e.g., dispatch parameters, estimated/actual Forced Outage Rate, fuel flexibility, unit efficiency, and unit reliability; and
  - d. the design of the CHP facility and its ability to comply with the Company's interconnection requirements specified in the Customer Sited Supply Operating Procedure ("CSS Procedure").

The Company will notify applicants, either electronically or in writing, as to whether they are accepted to participate under this Rider, and, if selected, the CEQs approved by the Company for each operating period in each month. If the Customer requested an export quantity that would result in exceedance of the 50 Mlb/hr aggregate program limit in any month during the primary or secondary operating period, the Company will approve a reduced CEQ for that operating period up to the available program capacity, provided that the Customer's CEQ would be no less than 2 Mlb/hr. Selected applicants must confirm their agreement to participate, either electronically or in writing, within 10 business days after receipt of the Company's notice.

3. A Customer may request to prospectively increase or decrease its CEQs commencing with the next Anniversary Date. The request must be received no later than 30 days before the Anniversary Date and must include the requested CEQs and documentation supporting the change(s). Except as specified in Section C.4, the Company will accept reasonable requests subject to the provisions outlined in Section C.2 above.
4. The Company reserves the right to reduce a Customer's CEQs commencing with the next Anniversary Date if actual export during either the primary or secondary operating period in two or more months during the past 12 calendar months is less than 90 percent of the CEQ.

## GENERAL INFORMATION - Continued

### 7. Service Classification Riders (Available on Request) - Continued

#### RIDER G - Customer Sited Supply Pilot Program - Continued

##### D. Dispatch Requirements

To participate under this Rider, the Customer must comply with the requirements of the CSS Procedure, including, but is not limited to:

- a. complying with daily dispatch orders issued by the Company's Energy Dispatcher;
- b. operating the CHP facility to make the CEQ available at the request of the Company's Energy Dispatcher;
- c. obtaining advance permission from the Company's Energy Dispatcher before the CHP facility comes on- or off-line or for changes to its steam sendout flow, except in an emergency;
- d. providing the Company with no less than five days' advance notice of the Customer's request to conduct a maintenance outage;
- e. providing the Company with no less than one year's advance notice of the Customer's request to conduct a planned outage, including providing a six-month update of the finalized outage scope and duration; and
- f. maintaining communications with the Company's Energy Control Center through a dedicated phone line answerable by the Customer 24 hours a day, 7 days a week.

The Company may prevent a Customer from delivering steam to the Company's steam system if any of the following conditions occur:

- a. The Customer's steam does not comply with the Company's specifications as set forth in either the Rate Schedule or the CSS Procedure;
- b. The Customer's steam becomes a supply management risk, such as, but not limited to, providing erratic deliveries that could over-pressurize the Company's steam system;
- c. the Company's Energy Dispatcher determines that there is (i) an actual or potential system minimum load condition (as outlined in the Company's filing of October 17, 2012, in Cases 07-M-0548 and 10-M-0457, and as may be revised thereafter), an operational transient, or contingency, (ii) the need to preserve steam system operating integrity, or (iii) an emergency event on the steam system (*i.e.*, a situation that threatens the safety of a person, the surrounding area, or the integrity of the Company's distribution system);
- d. The Customer's CHP facility is no longer operated to supply the Customer heating and power needs at its premises;
- e. The Customer is not receiving service under SC 4 but uses the Company's steam system to back-up or supplement steam from the CHP unit at its premises; or
- f. A prolonged failure or multiple failures in the remote communications equipment prevents the Company from measuring the Customer's steam parameters and monitoring its steam purity and quality.

If the Company permanently isolates the Customer from delivering steam to the Company's system, the Customer will be required to pay the Company for the actual costs incurred by the Company to effectuate the isolation.

## GENERAL INFORMATION - Continued

### 7. Service Classification Riders (Available on Request) - Continued

#### RIDER G - Customer Sited Supply Pilot Program - Continued

##### E. Interconnection Charges

In addition to the charges described in General Information Sections 3 and 4, Customers participating under this Rider shall be subject to the following charges for interconnection costs:

- a. A charge for the reasonable costs of providing service under this Rider, including but not limited to costs, as applicable, for the steam interconnect pipe and equipment, steam system reinforcement, isolation equipment, metering, and associated piping, incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit the provision of service under this Rider, to the extent such costs are in excess of the Company's cost responsibility (i.e., costs in excess of two-years' estimated revenues from the Customer's payments under Section I of this Rider). All such facilities will remain the property of the Company.

The Customer may pay for the foregoing interconnection costs either: by paying in full prior to the commencement of service under this Rider; or by paying at least 25 percent of the interconnection costs prior to the commencement of service under this Rider and arranging with the Company to pay over not more than a ten-year period the balance of such interconnection costs plus interest at the unadjusted Customer deposit rate in effect at the time a payment plan is agreed upon with the Company. The Company may require a Customer to provide adequate security for the payment of the balance of the interconnection costs due the Company under the payment agreement. All payments of incremental interconnection costs are non-refundable.

- b. An annual charge equal to 10 percent of the total capital costs of interconnection, to cover ongoing costs such as property taxes and operation and maintenance expenses. The annual charge is payable by the Customer once a year on the anniversary date that the first payment was made under this Rider. If elected by the Customer in writing, the Customer may instead pay the annual charge in monthly installments equal to one-twelfth of the annual charge.

##### F. Customer's Equipment

In accordance with the CSS Procedure, the Customer will be required to install and maintain, at its own expense, equipment capable of providing for: (1) real-time and local remote communication, measurement, and monitoring of the Customer's steam parameters (i.e., steam flows, pressure, temperature, select chemistry parameters, and alarms) and associated communication feedback between Customer location and Company's Energy Dispatcher; and (2) sampling of the Customer's steam.

## GENERAL INFORMATION - Continued

### 7. Service Classification Riders (Available on Request) - Continued

#### RIDER G - Customer Sited Supply Pilot Program - Continued

##### G. Metering

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand. The maximum demand, when determined by a demand meter, shall be the highest 30-minute integrated demand occurring during the billing period in which such use is made. The integrated demand is the average of the pounds of steam use occurring in a 30-minute period, which average, if used continuously for 30 minutes, would produce the pounds of steam actually consumed during such period.

Rider G service must be contracted for separately and metered separately from service under SC 4.

##### H. Payments to be Made by the Company

The Company will make payments to a Customer for steam export during the hours directed by the Company's Energy Dispatcher. Payment for each calendar month will be equal to the product of the steam export quantity, the payment rate, and the Export Multiplier. The steam export quantity will be the actual export quantity registered on the meter by operating period, up to the lower of the MEQ or 110 percent of the CEQ for that operating period, converted to a Btu equivalent assuming a fixed heat rate of 1,200 Btu/lb. The payment rate will be equal to the average of the last three days of the prior month's Henry Hub natural gas prices (as traded on the New York Mercantile Exchange), plus delivery basis to the City Gate. The Export Multiplier will be set at 1.0 for steam export during the primary operating period and 0.47 for steam export during the secondary operating period.

**GENERAL INFORMATION - Continued**

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

**RIDER G - Customer Sited Supply Pilot Program – Continued**

**I. Charges to be Paid by the Customer**

The Customer will be required to pay a Customer Charge (per month) and a Contract Demand Charge (per Mlb per hour of the Contract Demand in each monthly billing period) based on the rate that would otherwise be applicable if the Customer did not have an alternative source of supply.

A Customer's Contract Demand under Rider G shall be set equal to the Maximum Export Quantity. No change will be made to the Contract Demand if the maximum demand registered on the Customer's export meter exceeds the Maximum Export Quantity. . . . If the maximum demand registered on the meter exceeds the Maximum Export Quantity in two or more months during the past 12 calendar months, the Company, at its sole discretion, may terminate the Customer's participation under this Rider.

When service is taken under this Rider and under SC 4 through the same service connection: (a) the Customer Charge will be waived under this Rider; and (b) the Contract Demand Charge under this Rider shall apply only to the Contract Demand in excess of the Contract Demand billed under SC 4.