

SERVICE CLASSIFICATION NO. 11

BUY-BACK SERVICE

Applicable to Use of Service for

The purchase of capacity and energy by the Company from a Qualifying Facility ("Customer"), as defined in Special Provision E, subject to the Common Provisions and Special Provisions of this Service Classification.

The Company reserves the right to limit the amount of capacity and energy it will take from the Customer or to refuse to accept a Customer under this Service Classification where engineering considerations dictate that such actions are reasonable. Secondary network service will not be offered.

Character of Service

Of the various characteristics of service listed and more fully described in General Rule III-2, the following may be designated for service by the Company under this Service Classification, subject to the limitations set forth in such rule and in this Service Classification. Frequencies and voltages shown are approximate. All are continuous.

Standard Service

Any derivative of the standard alternating current, 3 phase, 4 wire system at 60 cycles and 120/208 volts.

Non-Standard Service

Low Tension Alternating Current - 60 cycles:

Single phase at 120/240 volts
Three phase at 240 volts
Two phase at 120/240 or 230 or 240 volts
Three phase at 265/460 volts

High Tension Alternating Current - 60 cycles:

Three phase at 2,400/4,150 volts
Three phase at 13,200 volts
Three phase at 26,400 volts
Three phase at 33,000 volts

Transmission Alternating Current- 60 cycles:

Three phase at voltages above 33,000 volts

(Service Classification No. 11 - Continued on Leaf No. 296)

Date of Issue: January 31, 2000

Date Effective: February 1, 2000

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

**Issued in compliance with Order
of the Public Service Commission dated
December 31, 1999 in Case No. 94-E-0952.**

SERVICE CLASSIFICATION NO. 11

BUY-BACK SERVICE

Payment Rate for Energy (*per month*)

In accordance with Special Provision (N), for Customers taking service under this Service Classification and energy sellers selling energy to the Company priced at or based upon the SC 11 Buy-Back energy rates, the payment rate for energy will be based on the applicable locational based marginal prices ("LBMP") determined by the New York Independent System Operator ("NY ISO").

For purposes of determining the applicable payment rate that the Company will pay for the energy it purchases, the hourly LBMP will be the Company's load-weighted LBMP with respect to the day-ahead and real-time market prices. Where it is not feasible to determine hourly deliveries, the payment rate will be based on the monthly load-weighted LBMP. Where scheduling of deliveries is not required by the sales agreement and is not otherwise feasible, the LBMP payment rate will be based on the monthly LBMP in the real-time market. Payments for energy delivered to the Company's border will be based on the applicable LBMP at the point of delivery. Payments for energy delivered within the Company's service area will be based on the zonal LBMP applicable to the zone within which such deliveries are made.

Adjustment Factor: For Customers delivering energy at secondary distribution, whether such energy is delivered to the NY ISO or to the Company, the LBMP price will be increased by a factor of adjustment of 1.066, taken to the nearest cent.

Payment Rate for Capacity (*per month*)

In accordance with Special Provision (O), the Company will pay for the capacity it purchases based on the NY ISO market price applicable to such capacity. For purchases of capacity during April 2000 (prior to the May 1, 2000 scheduled commencement of the NY ISO capacity market) the Company will pay the payment rate for capacity applicable to the month of May 2000.

(Service Classification No. 11 - Continued on Leaf No. 296-A)

Date of Issue: February 22, 2000

Date Effective: April 1, 2000

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Contract Demand Charge - To be paid by the Customer (*per kw per month of the contract demand*)

| | <u>Summer Billing Period</u> | | <u>Winter Billing Period</u> | |
|---|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| | <u>High Tension Service</u> | <u>Low Tension Service</u> | <u>High Tension Service</u> | <u>Low Tension Service</u> |
| Primary Distribution (All hours - All days) | | | | |
| First 10 kw | \$ 2.52 | \$ 2.52 | \$ 2.52 | \$ 2.52 |
| Next 90 kw | \$ 3.02 | \$ 3.02 | \$ 3.02 | \$ 3.02 |
| Over 100 kw | \$ 3.22 | \$ 3.22 | \$ 3.22 | \$ 3.22 |
| Secondary Distribution (All hours - All days) | | | | |
| First 10 kw | No Charge | \$ 2.52 | No Charge | \$ 2.52 |
| Next 90 kw | No Charge | \$ 3.06 | No Charge | \$ 3.06 |
| Over 100 kw | No Charge | \$ 3.28 | No Charge | \$ 3.28 |

The total demand charge for each monthly billing period, excluding the Reactive Power Demand Charge, shall be the sum of the primary distribution and secondary distribution contract demand charges, each charge determined by multiplying the demand for the respective time period by the rate applicable for that time period.

Reactive Power Demand Charge (*per kilovar per month*)

For each kvar determined in accordance with Special Provision I\$0.27

Definition of Billing Periods

The summer billing period is the four month period from June 1 to September 30. The winter billing period is the balance of the year. When a bill includes periods during both the summer billing period and the winter billing period, the rates and charges applicable will be prorated based on the number of days in the summer billing period and the number of days in the winter billing period related to the total number of days in the billing period.

(Service Classification No. 11 - Continued on Leaf No. 297)

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 298)

Date of Issue: February 22, 2000

Date Effective: April 1, 2000

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 299)

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 299-A)

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 300)

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 300-A)

Date of Issue: February 22, 2000

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

**SERVICE CLASSIFICATION NO. 11 - Continued
BUY-BACK SERVICE**

(RESERVED FOR FUTURE USE)

(Service Classification No. 11 - Continued on Leaf No. 301)

Date of Issue: February 28, 2000

Effective: April 1, 2000

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Common Provisions

Interconnection Charge

(A) Customers in this Service Classification shall be subject to the following charges for interconnection costs costs if private generation facilities on the premises (i) commenced operation prior to February 1, 2000, or (ii) have a total nameplate rating greater than 300 kVA, or (iii) are connected in parallel with distribution feeders other than radial distribution feeders:

(1) A charge for the reasonable costs of connection, including the costs of initial engineering evaluations, switching, transmission, distribution, safety provisions, engineering, and administrative costs incurred by the Company directly related to the installation of the facilities deemed necessary by the Company to permit interconnected operations with a Customer, to the extent such costs are in excess of the corresponding costs which the Company would have incurred had the Customer taken firm service. All such facilities will remain the property of the Company. The full cost of the metering equipment to provide service under this Service Classification will be included in the interconnection charge. The Customer may pay for the foregoing interconnection costs either:

(a) by paying in full prior to the commencement of service under this Service Classification; or

(b) by paying at least twenty-five percent of the interconnection costs prior to the commencement of service under this Service Classification and arranging with the Company to pay over not more than a five-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 the Customer to provide adequate security for the payment of the balance of interconnection costs due the Company under the payment agreement.

The costs of distribution system reinforcements required for parallel operations and incurred subsequent to interconnection are an element of the interconnection costs and will be charged to the Customer, provided that such costs are initially foreseen, but not necessarily incurred at the time of interconnection. The Customer may pay for this element of interconnection cost at the time it is incurred, or pursuant to a payment agreement similar to the one described in the preceding paragraph.

(2) An annual charge of 10 percent of the capital costs of interconnection, including the costs of distribution system reinforcements, to cover property taxes and operation and maintenance expenses. The annual charge shall be determined by multiplying the rate of 10 percent by the total capital costs of interconnection. The annual charge is payable by the Customer in monthly installments equal to one-twelfth of the annual charge.

(Service Classification No. 11 - Continued on Leaf No. 302)

Date of Issue: February 22, 2000

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Issued by Joan S. Freilich, Executive Vice President and
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SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Common Provisions - Continued

Interconnection Charge - Continued

(B) Customers in this Service Classification shall be subject to the following charges for interconnection costs if private generation facilities on the premises (i) commenced operation on or after February 1, 2000, (ii) have a total nameplate rating of 300 kVA or less, and (iii) are connected in parallel with radial distribution feeders:

- (1) An advance payment for the costs of any equipment and facilities installed on the Company's system, including metering, necessary to permit operation of the Customer's generation facilities in parallel with the Company's system. The amounts and timing of Customers' payments shall be determined in accordance with the "New York State Standardized Interconnection Requirements, Application Process, Contract & Application Forms For New Distributed Generators, 300 Kilovolt-Amperes or Less, Connected in Parallel With Radial Distribution Lines" (the "SIR") as adopted by the Public Service Commission in its Order dated November 15, 2000 in Case 94-E-0952 and as may be amended from time to time by the Commission. The SIR is set out in Addendum-SIR to this Rate Schedule.
- (2) A cost-based advance payment for the Company's review of the Customer's proposed interconnection design package and for any studies, including but not limited to the Coordinated Electric System Interconnection Review, performed by the Company with respect to the interconnection of the Customer's generation facilities.

The Company will reconcile its actual costs with the total of the Customer's advance payment for estimated costs of equipment and facilities, advance payment for reviews and studies, and application fee (as described in Special Provision D (1)). The Customer will pay or the Company will refund, without interest, the difference, except for the application fee, which is non-refundable.

(C) Failure of the Customer to pay any of the interconnection charges or annual charges, when due, shall be cause for termination of service in accordance with the procedures specified in this Rate Schedule.

Tax Reimbursement

The Company will reimburse monthly each Customer hereunder who is both a Customer of the Company for gas transportation services under Service Classification No. 9 of the Company's Schedule for Gas Service and a gas importer as defined in Section 189 (b) (1) of the New York Tax Law that meets one or more of the conditions stated in Section 149-b of Chapter 166 of the Laws of 1991, for the amount of taxes paid by the Customer under Sections 189, 189-a, and 189-b of the New York Tax Law, less any tax refund received by the Customer, on the gas services (as defined in Section 189) used in the production of energy purchased by the Company hereunder. Subject to review by the Company, the Customer shall certify to the Company the volume of gas used in the production of energy purchased by the Company hereunder.

(Service Classification No. 11 - Continued on Leaf No. 303)

Date of Issue: January 7, 2002

Date Effective: January 11, 2002

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

Issued in compliance with order of
the Public Service Commission dated
December 12, 2001 in Case No. 94-E-0952.

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Common Provisions - Continued

Tax Reimbursement - Continued

The Company will reimburse quarterly each Customer hereunder who is not a Customer of the Company for gas transportation services under Service Classification No. 9 of the Company's Schedule for Gas Service but who is a gas importer as defined in Section 189 (b) (1) of the New York Tax Law that meets one or more of the conditions stated in Section 149-b of Chapter 166 of the Laws of 1991, for the amount of taxes paid under Sections 189, 189-a, and 189-b of the New York Tax Law, less any tax refund received by the Customer, on the gas services (as defined in Section 189) used in the production of energy purchased by the Company hereunder, provided that the Customer submits to the Company promptly upon filing with the State Tax Commission a copy of each tax return filed by the Customer showing payment of such taxes and all refund applications granted by the State Tax Commission. Subject to review by the Company, the Customer shall certify to the Company the volume of gas used in the production of energy purchased by the Company hereunder.

Increase in Rates and Charges

The rates and charges payable by the Customer under this Service Classification are increased by the applicable percentage as explained in General Information Section VIII-A and shown on the related Statement.

Determination of Demand

The contract demands for primary and secondary distribution for the purpose of this Service Classification shall be the contract demands as specified in the Customer's request for service hereunder (expressed in kw), unless and until a higher maximum demand is created by the Customer, in which case such higher maximum demand shall become the contract demand for that month and thereafter unless and until exceeded by a still higher maximum demand, which in turn shall likewise be subject to the foregoing conditions, provided, however, that if a Customer requests and receives a reduction in the contract demand (as explained in General Rule III-11(U)), the demand history prior to the reduction will not be considered in determining the contract demand for subsequent months.

If the monthly maximum demand exceeds the contract demand by ten percent or less, a surcharge equal to twelve times the monthly contract demand rate for the excess in demand will apply to the monthly bill. If the monthly maximum demand exceeds the contract demand by more than ten percent, a surcharge equal to twenty-four times the monthly contract demand rate for the excess in demand will apply to the monthly bill. The excess in demand to which the surcharge applies will be billed at the rate block(s) at which the increase in the contract demand for that month is billed.

(Service Classification No. 11 - Continued on Leaf No. 304)

Date of Issue: April 28, 2000

Date Effective: May 1, 2000

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

Issued under authority of order of the Public Service Commission dated 2/28/00 and 4/24/00 in Case 96-E-0897

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Common Provisions - Continued

Determination of Demand - Continued

Back-up Service, Supplementary Service, and Buy-back Service must each be contracted for separately and will be metered separately. The contract demand charges under this Service Classification shall apply only to the increment of demand in excess of the demand billed under Back-up Service, Supplementary Service, or a firm service classification of this Rate Schedule if service under this Service Classification and such other service classifications are taken through the same service connection.

For Customers who elect to engage in the simultaneous purchase and sale of energy pursuant to Special Provision B hereof, the number of kilowatts of demand for billing purposes under this Service Classification will be reduced by the number of kilowatts of demand billed at the firm service rates if the two types of services are taken through the same service connection.

The Company will install a demand measuring device of a type approved by the Public Service Commission for the determination of maximum demand. See General Rule III-11 (D) for definition of maximum demand.

With respect to Rate II, when demand is determined by a magnetic tape recorder or a demand storage unit, the maximum demand for primary distribution and secondary distribution shall be the integrated demand occurring during the two highest contiguous fifteen minute intervals during the applicable time periods.

Terms of Payment

Net cash on presentation of bill, subject to late payment charge in accordance with provisions of General Rule III-11 (N) and subject to Special Provision P of this Service Classification.

Term

One year from the date of installation of service hereunder; terminable thereafter by the Customer upon 30 days' prior notice in writing and by the Company in accordance with law or the provisions of this Rate Schedule.

(Service Classification No. 11 - Continued on Leaf No. 305)

Date of Issue: February 22, 2000

Date Effective: April 1, 2000

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions

- (A) A Customer may segregate any portion of the total requirements so that such portion shall be served exclusively with the Company's service under another and appropriate Service Classification, except as otherwise provided under General Rule III-13 (D) relating to segregated service.

The non-segregated portion of the Customer's total requirements may also be taken at firm service rates by an eligible Customer under Special Provision A of Service Classification Nos. 3 and 10.

- (B) A Customer which is a Qualifying Facility under Part 292 of Title 18 of the Code of Federal Regulations may elect to engage in the simultaneous purchase and sale of capacity and energy with the Company under this Service Classification, subject to all of the terms and conditions of this Service Classification.

A Customer electing to engage in the simultaneous purchase and sale of capacity and energy with the Company under this Special Provision must sell its entire electric generation to the Company under this Service Classification and must take its entire electrical requirements at the appropriate firm service classification under which the Customer would have taken service if not for the fact that the Customer operates its own private generating facility.

- (C) The following provisions are applicable to Customers with private generation facilities on the premises that (i) commenced operation prior to February 1, 2000, or (ii) have a total nameplate rating greater than 300 kVA, or (iii) are connected in parallel with distribution feeders other than radial distribution feeders:

- (1) Communication, metering, and interrupting equipment, as specified by the Company, will be installed and maintained in accordance with Company specifications at the Customer's expense, including such facilities not located on the Customer's property.
- (2) All requests for parallel operation will be reviewed on a case-by-case basis. Parallel operation will be permitted only if, and to the extent, such operation does not jeopardize the adequacy or reliability of service to the Company's other Customers. Backfeed of power into the Company's system will not be permitted under this Service Classification. Failure of the Customer at any time to comply with the terms and conditions specified by the Company in order to permit parallel operation will result in the Customer forfeiting its right to operate in parallel with the Company's system. In the event a Customer forfeits its right to operate in parallel with the Company's system, the Customer will be required to bear the reasonable expense associated with disconnecting the Customer's private plant from the Company's system. Where there is a dispute between the Customer and the Company with respect to the standards and charges for interconnection, the Customer may apply to the Public Service Commission for a ruling in the matter.

(Service Classification No. 11 - Continued on Leaf No. 306)

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Issued by Joan S. Freilich, Executive Vice President and
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SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

(C) - Continued

- (3) The Customer's generating plant and the Company's system may be operated in parallel as required subject to the Customer's compliance with the Company's design requirements and operating rules and procedures. To accomplish such parallel operation in a safe, economical, and efficient manner, operating instructions shall be prepared by the Company, submitted to the staff of the Public Service Commission for review, and adhered to by the authorized operating representatives of the Customer. Such operating instructions shall include, among other things, procedures for:
- (a) Maintaining proper voltage and frequency and for putting into effect voltage changes as required from time to time;
 - (b) Phasing and synchronizing the Customer's generating plant and the Company's system;
 - (c) Taking feeders out of service for maintenance or during emergency conditions and restoring them to service thereafter; and
 - (d) Controlling the flow of real power and reactive power between the Customer's generating plant and the Company's system.

Where there is to be parallel operation, the Customer's authorized operating representatives shall receive the necessary training from the Company's authorized operating representatives in the Company's operating procedures before parallel operation is begun.

- (4) Where the Customer operates in parallel, the Customer shall provide and maintain on its premises all necessary facilities, as specified by the Company, for connecting the Company's feeder cables to the Customer's generating station, including transformers, circuit breakers, and all equipment and facilities necessary and required for synchronizing the Customer's generating plant with the Company's system and for controlling the flow of energy and wattless current and for protection of the interconnected systems. Such required facilities may include a communication system between the Customer's generating plant and the Company's system or district operator consisting of transmitting equipment and a communications path such as a leased telephone line or lines connecting these points to provide transfer trip of the Customer tie. Voice communication and telemetering of loads shall be provided at the Customer's expense.
- (5) The Customer is solely responsible for providing adequate protection for Customer's facilities operating in parallel with the Company's system. Except where caused by the Company's negligence, the Company will not be liable for, and the Customer shall indemnify and hold the Company harmless for damages to the property of the Company or others or injuries to persons arising out of any occurrence related to the Customer's ownership, use or operation of the Customer's facilities.

(Service Classification No. 11 - Continued on Leaf No. 306-A)

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Issued by Joan S. Freilich, Executive Vice President and
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SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

(C) - Continued

(6) The Customer shall provide suitable equipment, including indicating and recording instruments and telemetering, required by the Company for the proper operation and monitoring of the interconnection. The Customer's authorized representative in charge of the operation of the Customer's generating plant shall cause readings of the aforesaid meters to be taken at such intervals as may be required by the Company. The Customer will maintain a log record of such readings as part of the log records of the Customer's generating plant. Such logs will be made available for Company inspection and review at the Company's request.

(D) The following provisions are applicable to Customers with private generation facilities on the premises that (i) commenced operation on or after February 1, 2000, (ii) have a total nameplate rating of 300 kVA or less, and (iii) are connected in parallel with radial distribution feeders:

(1) Customers' applications for service under this Service Classification for generation facilities with a total nameplate rating greater than 15 kVA will be made using the application entitled "New York State Application for Attachment of Parallel Generation Equipment 300 kVA or Smaller" (as set forth in General Information Section IX) as adopted by the Public Service Commission in its Order dated November 15, 2000 in Case No. 94-E-0952 and as may be amended from time to time by the Commission. Customers' applications for service for single phase generation facilities with a total nameplate rating of 15 kVA or less will be made using the application entitled, "New York State Standardized Application for Single Phase Attachment of Parallel Generation Equipment 15 kVA or Smaller"(as set forth in General Information Section IX) as adopted by the Public Service Commission in its Order dated November 15, 2000 in Case No. 94-E-0952 and as may be amended from time to time by the Commission. Applications for service for generation facilities with a total nameplate rating greater than 15 kVA must be accompanied by a non-refundable \$350 application fee.

(2) The "New York State Standardized Interconnection Requirements, Application Process, Contract & Application Forms For New Distributed Generators, 300 Kilovolt-Amperes or Less, Connected in Parallel With Radial Distribution Lines" (the "SIR"), as adopted by the Public Service Commission in its Order dated November 15, 2000 in Case 94-E-0952 and as may be amended from time to time by the Commission, is set out in Addendum-SIR to this Rate Schedule. Assuming the conditions of the SIR are met, the Company and the Customer will execute a contract entitled "New York State Standardized Contract For Interconnection of New Distributed Generation Units With Capacity of 300 kVA or Less to be Operated in Parallel" (as set forth in General Information Section IX) as adopted by the Public Service Commission in its Order dated November 15, 2000 in Case No. 94-E-0952 and as may be amended from time to time by the Commission.

(3) The installation and parallel operation of generation facilities will be in accordance with the SIR, which is set out in Addendum-SIR to this Rate Schedule.

(Service Classification No. 11 - Continued on Leaf No. 307)

Date of Issue: January 7, 2002

Date Effective: January 11, 2002

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

Issued in compliance with order of
the Public Service Commission dated
December 12, 2001 in Case No. 94-E-0952.

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

(E) "Qualifying Facility" means a cogeneration or a small power production facility that meets the requirements for qualification under Part 292 of Title 18 of the Code of Federal Regulations or a "co-generation facility," "alternate energy production facility," or "small hydro facility," as defined in Section 2 of the New York Public Service Law.

The Customer will furnish to the Company such data as required by the Company to determine that the Customer meets the requirements for qualification under Federal or State law.

(F) The rates, terms, and conditions set forth in this Service Classification shall be applicable to:

- (1) purchases of capacity and energy made pursuant to contracts entered into prior to February 25, 1991;
- (2) purchases of energy-only; and
- (3) purchases of capacity and energy from facilities located within the Company's service territory and sized at 2 megawatts or less pursuant to contracts negotiated for such facilities.

(G) The Company will be relieved of its obligation to purchase capacity and energy during any period in which the Company suffers a system emergency. For the purposes of this section, a system emergency is defined as a condition which is likely to result in imminent significant disruption of service to Customers or is imminently likely to endanger life or property.

(H) All capacity and energy supplied by the Customer directly to the Company shall be so metered as to show the amount of capacity and energy interchange at the point of termination of the Company's service. The Company will read the meter and will provide billing information as reasonably required by the Customer.

(Service Classification No. 11 - Continued on Leaf No. 308)

Date of Issue: December 28, 2000

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

Issued in compliance with order
of the Public Service Commission dated
November 15, 2000 in Case 94-E-0952

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

- (I) A Customer with induction-type generating equipment and taking service under this Service Classification will be charged for the kilovar requirements of such equipment. The kilovar requirements will be determined from the nameplate rating of the Customer's generating equipment or from the design specifications of the manufacturer of the generating equipment. The kilovar requirements of the Customer's generating equipment will be reduced by the kilovar rating of any power factor corrective equipment installed by the Customer.
- (J) The foregoing rates and charges shall apply to all electric service supplied hereunder on and after the effective date hereof. Where a bill includes periods before the effective date and after the effective date, the rates and charges applicable will be prorated based on the number of days of service rendered before the effective date and on and after the effective date related to the total number of days in the billing period.
- (K) The following Rider may be applied to this Service Classification: A and P.
- (L) For general rules, regulations, terms and conditions under which service will be supplied by the Company, see Leaf Nos. 11 to 80, inclusive.
- (M) Requests for service under this Service Classification shall be made in writing.

Date of Issue: August 7, 2000

Date Effective: ~~September 7, 2000~~ August 17, 2000
Effective under authority of PSC order in Case 00-E-1330 made August 16, 2000.

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Chief Financial Officer
4 Irving Place, New York, N.Y. 10003

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

(N) Customers taking service under this Service Classification and energy sellers selling energy to the Company priced at or based upon the SC 11 Buy-Back energy rates must elect one of the following options:

- (1) The Customer will, in accordance with NY ISO rules, sell directly to the NY ISO all energy that would otherwise have been delivered to the Company, and the energy payment rate received by the Customer from the NY ISO for any hour shall be deemed to be the SC 11 Buy-Back energy rates applicable to such Customer for such hour.
- (2) Alternatively, a Customer may elect to continue to deliver its energy to the Company and to receive the applicable SC 11 Buy-Back energy rates at the point of delivery to the Company.

With respect to a seller under a sales agreement with Con Edison as of April 1, 2000, depending on the seller's option, such agreement shall be modified to include provisions that are either consistent with direct sales to the NY ISO or that accommodate scheduling by the Company with the NY ISO. In the case of direct sales to the NY ISO, such contract provisions shall include the requirement that the energy seller report to the Company each day as to the hourly amounts of energy produced at seller's facility and delivered to the NY ISO and the hourly amounts that would otherwise have been delivered to the Company pursuant to the sales agreement. In the case of deliveries to the Company based on schedules, such contract provisions shall include the seller's agreement to assume sole responsibility for any penalties or obligations imposed on either the seller or the Company as a result of the seller's failure to deliver energy in accordance with its schedules or at the direction of the NY ISO. All other existing contractual obligations and related costs will remain the responsibility of the party who was responsible for such obligations and related costs during the pre-ISO period.

After making an election as to whether to sell directly to the NY ISO or to the Company, an energy seller will be ineligible to change its election for one year from the date of any election. An energy seller that elects to sell energy to the Company will be prohibited from selling or otherwise diverting any portion of its plant's output to any third party, including selling directly to the NY ISO, unless expressly provided for in its sales agreement with the Company. An energy seller that elects to discontinue selling energy under this Service Classification will be ineligible to resume sales under this Service Classification for one year from the date of such election.

An initial election shall be made by an energy seller no later than April 1, 2000, if such seller is selling energy at or based upon the SC 11 Buy-Back energy rates as of April 1, 2000. A seller commencing energy sales at a later date shall make an initial election prior to commencing service under a sales agreement.

(Service Classification No. 11 - Continued on Leaf No. 309-A)

Date of Issue: February 22, 2000

Date Effective: April 1, 2000

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

SERVICE CLASSIFICATION NO. 11 - Continued

BUY-BACK SERVICE

Special Provisions - Continued

(O) Sellers of capacity pursuant to Special Provision (F) must elect one of the following options:

- (1) The capacity seller will, in accordance with NY ISO rules, sell capacity that would otherwise have been delivered to the Company, directly to the NY ISO capacity market, scheduled to begin May 1, 2000, and the capacity payment rate received by the Customer from the NY ISO for any period shall be deemed to be the SC 11 Buy-Back capacity rate applicable to such Customer for such period.
- (2) Alternatively, a capacity seller may elect to continue to sell its capacity to the Company under its existing sales agreement with the Company and to receive payments based upon the NY ISO market price applicable to such capacity.

The sales agreement for the sale of capacity shall include a provision requiring the capacity to satisfy all of the requirements applicable to installed capacity established by the NY ISO, as well as the seller's agreement to assume sole responsibility for any penalties, including payments for capacity deficiencies, imposed by the NY ISO on the seller or on the Company as a result of the seller's failure to satisfy all such requirements.

After making an election as to whether to sell directly to the NY ISO or to the Company, a capacity seller will be ineligible to change its election for one year from the date of any election. A capacity seller that elects to discontinue selling capacity under this Service Classification will be ineligible to resume sales under this Service Classification for one year from the date of such election.

An initial election shall be made by a capacity seller no later than April 1, 2000, if such seller is selling capacity to the Company as of April 1, 2000. A seller commencing capacity sales at a later date shall make an election prior to commencing service under a sales agreement.

(P) For Energy Service Companies ("ESCOs") and Direct Retail Customers that purchase energy from Con Edison at Service Classification No. 11 buy-back energy rates in conjunction with their participation in Con Edison's Retail Access Program under what was formerly known as Rate III, the energy rate (cents per kwhr) for April 2000 follows:

| | |
|---------------------------|-------|
| on-peak and shoulder peak | 2.654 |
| off-peak | 1.969 |

Common Provisions applicable to service under this Service Classification and Special Provisions (A) through (O) of this Service Classification are not applicable to ESCOs and Direct Retail Customers served under this Special Provision (P).

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