

**Niagara Mohawk Power Corporation Voluntary Emergency Demand Response Program
Via On-Site Generation (EDRP - OSG)
Form L10**

This Agreement executed on this _____ day _____, _____ ("the Agreement") witnesseth that:
_____ of _____

WHEREAS, Niagara Mohawk Power Corporation (hereinafter called "the Company") presently operates a vertically integrated system for the generation, transmission, and distribution of electric power and is authorized to provide retail Electric Service, Electricity Supply Service and associated transmission, distribution and delivery services to the Premises; and

WHEREAS, the _____ (hereinafter called "the Customer") operates an on-site generator(s) at their facility located on the Premises at _____, New York, _____ ("the Premises"); and

WHEREAS, the Customer receives Electric Service for use at the Premises from the Company under the Company's Tariff P.S.C. 220 - Electricity ("the Tariff") Service Classification No. _____ under the account number _____; and

WHEREAS, the New York Independent System Operator (hereinafter referred to as "NYISO") operates the bulk power transmission system in New York State; and

WHEREAS, in recognition of a potential capacity shortage in New York State, the NYISO has instituted a Voluntary Emergency Demand Response Program (hereinafter referred to as "EDRP"); and

WHEREAS, the New York Public Service Commission (hereinafter referred to as "the Commission") has requested the Company's active participation in the EDRP; and

WHEREAS, the Company is willing to participate in the EDRP subject to the terms and conditions as provided herein; and

WHEREAS, the Customer hereby agrees to participate in the EDRP under the terms and conditions provided herein;

NOW, THEREFORE, in consideration of the commitments made herein and intending to be legally bound thereby, the Company and Customer agrees to the terms and conditions provided herein as follows:

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1. Emergency Demand Response Program Using On-Site Generation

The Emergency Demand Response Program Using On-Site Generation (EDRP - OSG) provides the NYISO through the Company, with the right to call upon the Customer to operate their on-site generator(s) in the event the New York Independent System Operator (hereinafter the "NYISO") requests voluntary load curtailment. Upon each EDRP Event, as specified in Section 4 of this Agreement, the Customer shall have the option to operate their on-site generator(s) at their Premises and be compensated by the Company as provided herein.

2. Eligibility

Customers who own and operate on-site generator(s) located on the Customer Premise and meet all of the following criteria shall be eligible to participate under this Agreement:

have load metering installed in accordance with Section 5 of this Agreement; and

Generators must be capable of providing a minimum of 100 kW of load reduction, inclusive of losses; and

Generators must not be synchronized to Niagara Mohawk's local distribution system or, if synchronized to the local distribution system, support a load that is equal to or in excess of the generator's capacity. On-site generators that are base loaded do not qualify for the EDRP; and,

have an executed Form G or Form Gf with the Company.

Participation under this Agreement shall in no way impact or revise the Customer's obligations or revise the Customer's obligations or exemptions under S.C. No. 7 charges during each EDRP Event.

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3. Incentive Payment

An Incentive Payment to the Customer for participation in this program shall be calculated as follows:

$$\text{IP} = \text{MAXIMUM OF 0 or 90\%} * (\text{CBL}_h - \text{AQ}_h) * \text{IPLSE}$$

Where:

IP is the Incentive Payment made to the Customer by the Company for participating in the Curtailment Event.

IPLSE is the Incentive Payment paid by the NYISO to the Company as a Load Serving Entity for participating in the Curtailment Event, which the Company shall convert to a \$ per kWh payment by dividing it by the total number of kWh curtailed during the Curtailment Event from all participating customers.

AQ_h is the Customer's actual energy usage in the hour(s) during which the EDRP occurs.

CBL_h is the Customer's Baseline Load and represents the point from which the Incentive Payment and the Customer's response to the EDRP shall be measured. CBL_h shall be determined in accordance with the NYISO tariffs and procedures.

h is the hour(s) of the EDRP Event.

Incentive payments shall only be greater than zero ("0") as there are no penalties for non-compliance with the Emergency Demand Response Program.

4. EDRP Event

The Company and the Customer agree that the EDRP Event shall only be called during the NYISO Dispatch Day (specifically during a dispatch-day after the NYISO Day-Ahead bids are submitted, namely 0500 the prior dispatch-day). Customer and Company shall each provide written notice to the other, within five (5) days of execution of this agreement, their respective designated persons authorized to arrange the voluntary operation of their on-site generation by the Customer. All EDRP Events shall be determined solely by the NYISO and communicated to the Customer through the Company.

5. Metering

All electricity load measurement for this Agreement shall utilize the Company's interval based meter at the Customer Premise. Where an interval meter must be installed, Customer shall be responsible for all metering and installation costs not otherwise covered by New York State Research and Development Authority (NYSERDA). The metering and installation costs are a function of the individual Customer's electric service. Metering and installation costs are available from Company representatives.

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Metering communications are necessary for program administration. Where meter reading communications must be installed, Company shall provide the necessary communications equipment to the Customer's meter which records the electric requirements delivered to the Customer's Premises. Customer agrees to pay the Company an Incremental Customer Charge in the amount of \$34.84 per month to cover the incremental cost of metering communications unless the Customer (1) is already subscribed to an Economic Development Program as provided for in Rule 34.4 or 34.5 of the Tariff, or (2) subject to S.C. No.3, Special Provision L.

6. Term

The term of this Agreement will begin on the date of execution and shall terminate upon 5 days prior written notice by either the Company or the Customer.

7. Notices

All notices shall be provided in writing to the Company and the Customer except as expressly otherwise noted in this Agreement.

A. EDRP Event Notices

Within five (5) business days of executing this Agreement, the Company and the Customer shall identify an individual responsible for administering the EDRP Event(s). The Company and the Customer shall provide the following information to each other.

Name: _____
Position: _____
Phone
Number: _____

Pager Number: _____
E-mail Address: _____
Fax Number: _____

B. Termination and All Other Notices

Termination and all other notices shall be provided as follows:

If to the Company,
Manager – Program and Policy Administration, Niagara Mohawk Power Corporation, 300 Erie Blvd. West, Syracuse, New York 13202.

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If to the Customer,

Title: _____

Company: _____

Street: _____

City: _____

State: _____

Zip: _____

8. Payments

The Customer will continue to be billed for electric service under its existing terms and conditions of their service classification. The Company shall credit the Customer's retail invoice as a line item adjustment to the invoices for the Billing Period that is immediately following the month in which the Company receives payment from the NYISO based upon metered information. All payments shall be subject to updates based on final true-ups performed by the NYISO.

9. EDRP Event Duration

The duration of the EDRP Event shall be not less than 4 hours.

10. Frequency of EDRP Events

The Company shall only call upon the Customer to generate usage when requested to do so by the NYISO.

11. Advance Notice of EDRP Event

The Company shall provide the Customer with at least one hour of advance notice of the EDRP Event.

12. Taxes

All rates, charges, and fees, including any applicable adjustments within this Agreement, will be increased by a tax factor in accordance with Rule 32 of the Tariff. Sales taxes shall be applied, where applicable.

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In Witness Whereof, the Company and the Customer hereto have caused this Agreement to be executed as of the day and year first above written.

(the Customer)

Authorized By: _____
Title: _____
As a Representative of: _____
Date: _____

Niagara Mohawk Power Corporation d/b/a National Grid
(the Company)

Authorized By: _____
Title: _____
As a Representative of: Niagara Mohawk Power Corporation d/b/a National Grid
Date: _____