

PSC NO: 121 ELECTRICITY
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 12/01/12

Leaf: 61.1
Revision: 0
Superseding Revision:

SERVICE CLASSIFICATION NO. 3 (Cont'd.)

SPECIAL PROVISIONS: (Cont'd.)

G. Purchase Option: (Cont'd):

The Customer may, at its option, elect to purchase the portion of the Company's street lighting system being used to serve the customer. The following guidelines will apply to any sale of the Company's street lighting facilities: (Cont'd):

- ii) The customer must purchase a minimum of 25% of the lights that were owned by the Company within the municipality prior to any purchase(s) made under this rule, and the facilities associated with those lights, or 100 lights and their associated facilities, whichever is greater. If the customer requests purchase of a geographic area which contains slightly less than the 25% minimum, the Company will consider such an offer, provided that there is some logical rationale for the area chosen. Notwithstanding the above, if a customer owns 70% or more of the lights originally owned by the Company prior to any purchase(s) made by the customer under this rule, any further purchase must encompass all remaining lights. If a proposed purchase of lights would reduce the amount of lights owned by the Company within the municipality to less than 15% of the lights originally owned by the Company prior to any purchase(s) made by the customer under this rule, or to less than 100 lights, completion of the proposed purchase will be contingent upon written agreement by the customer to purchase all remaining lights within 2 years of the currently proposed purchase. Such written agreement shall include all terms and conditions of the sale of the remaining lights, including but not limited to the sale price and time frame of the sale. The Company may contract to sell the system in increments over an agreed upon time frame or to accept payments in installments, upon payment and other terms acceptable to the Company.
- iii) The Company will develop an estimate of the costs that it will incur to physically separate the system being sold from the rest of its distribution system in order for the Company to meet all applicable codes and regulations. This estimate will not include costs that the customer may incur in order for the Customer to meet any codes and regulations that may apply to it.
- iv) The Company will determine a proposed purchase price of the equipment, taking into account factors which may include, but are not limited to, the market value of the street lighting system to be sold, the remaining book value of the street lighting system to be sold, potential federal income tax implications resulting from accelerated depreciation of the equipment for tax purposes, and any other costs which the Company may incur in order to complete the sale.
- v) Within 30 business days of a customer providing written notice to the Company of its desire to purchase its street lighting system, the Company will respond, in writing, with the proposed purchase price and the estimate of separation costs. The actual purchase price of the street lighting system may be negotiated between the Company and the customer.

Issued by: James A. Lahtinen, Vice President - Rates & Regulatory Economics, Binghamton, NY