

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 90
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION

15. EXTENSION OF OVERHEAD ELECTRIC LINES: (Continued)

15.3.3 That applicant shall furnish reasonable security as to performance of his/her agreement if so required by Company.

15.3.4 That applicant shall pay or agree in writing to pay the Company a lump sum charge for material and installation costs relating to any portion of the distribution and/or service lines that exceed the portion which the Company provides without customer contribution, as calculated on Form "B", Application For Electric Extensions. Should additional customers be connected from said distribution and/or service lines during the initial five (5) year period from the date energized, ten (10) year period for residing applicant, customer will receive a prorata refund for cost of that additional portion of distribution and/or service lines which Company would have allowed without customer contribution; or

15.3.5 A residing applicant has the option to elect a surcharge in lieu of a lump sum payment. The surcharge may include right-of-way acquisition costs defined in Rule 15.3.2.2, and shall be applicable for ten (10) years, billed in installments as determined by the Company. The surcharge shall be reviewed, recalculated and adjusted for the remaining payment period as a new customer(s) is added. The interest factor shall remain constant for the life of the surcharge for each customer.

The monthly surcharge shall be calculated as follows:
(cost of excess facilities X interest factor)

The interest factor shall be calculated as follows:
$$(C/12)/(1-(1+(C/12))^{-120})$$

Where C is the Company's weighted pre-tax cost of capital awarded in the prior rate proceeding.

15.3.5.1 At any time, the customer may make a lump sum payment of the outstanding principal balance. Such lump sum payment shall be subject to refund for the remaining term under Rule 15.3.4.

15.3.5.2 The surcharge shall cease if at any time the number of customers added to the extension equal or exceed the applicable footage allowances of the total extension, or the gross revenue in each of two consecutive calendar years from those customers receiving electric service from the distribution line extension exceeds 1.5 times the total cost of the extension.