

PSC NO: 119 ELECTRICITY
NEW YORK STATE ELECTRIC & GAS CORPORATION
Initial Effective Date: 09/01/03

Leaf: 10
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Superseding Revision:

GENERAL INFORMATION

2. How Service May Be Obtained: (Cont'd.)

B. Extension of Facilities (Cont'd.)

(3) Additional Obligations of Residing Applicants: (Cont'd.)

- (c) (iii) The monthly payment shall be calculated as follows:

Monthly payment = $L \times R$
where:

L = Total cost of excess facilities, including appropriate Right-of-Way costs if requested by the customer, less down payment.

R = Monthly capital recovery factor = $I \div (1 - \{1 + I\}^{-120})$

$I = C \div 12$

C = Corporation's weighted pre-tax cost of capital as established in its most recent rate proceeding.

Note: If the initial amount of excess construction charges is less than \$1,000, the applicant must make a lump sum payment as specified in 2.B.(3)(c)(i).

- (iv) At any time, the applicant may make a lump sum payment of the outstanding principal balance. Such lump sum payment shall be subject to refund for the remaining term of the original ten-year agreement as customers are added to the excess line extension.
- (v) Any applicant who may be served within the distance of the aggregate free allowance will incur no cost for the distribution line.
- (vi) The remainder of any unpaid installment charges shall be collectible from any subsequent owner of the premises served provided the original surcharge agreement contains the bold face notice: **"THE APPLICANT IS REQUIRED TO INFORM A PROSPECTIVE OWNER OF SUCH OBLIGATION."**
- (d) Within ten years from the commencement of service any new applicants taking service from excess cost distribution lines are subject to either a lump sum payment or a monthly payment based on a ten year plan. Such adjusted payment shall be recalculated in accordance with Sections 2.B.(3)(c) and (e).

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