

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

Leaf: 35
Revision: 0
Superseding Revision:

GENERAL INFORMATION

2. I. Application and Contract: (Cont'd)
Form of Application Where Extension Plan is Applicable: (Cont'd)

Monthly Payment amount under Payment Plan \$_____

The applicant understands this monthly payment will be in addition to payment each billing period of the Corporation's normal charges for utility services.

THE APPLICANT HEREBY AGREES TO INFORM ALL PROSPECTIVE PURCHASERS OF THIS PROPERTY THAT A UTILITY SURCHARGE IS IN EFFECT.

Total amount paid, including interest (120 total payments) _____

Annual Interest Rate _____

Capital Recovery Factor _____

The monthly payment shall be calculated as follows:

Monthly Payment = (L X R)

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

L = Total cost of excess facilities including appropriate right-of-way costs if requested by the applicant, less security payment

I = $C \div 12$

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

The applicant understands that in the event a new applicant(s) takes service from the distribution line within ten years of line being available for use for which the excess costs have been determined, the surcharge payment will be recalculated (in accordance with the Corporation's tariff) and any resulting refund related to the distribution portion of the excess costs will be returned to the current owner of the facility which was originally served by the extension.

The applicant also understands that the surcharge will cease if, in each of any two consecutive calendar years within 10 years of the initial applicant's taking service from the extension, total revenue from all customers served by a new distribution line exceeds 1.5 times the reasonable actual capital costs of the total distribution line.

The Applicant understands that the line(s) will not be built until all applicants have complied with all requirements for service.

Applicant Signature _____ Date _____

Accepted by Corporation _____ Date _____

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