

PSC No: 20 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

Leaf No. 72
Revision: 0
Superseding Revision:

GENERAL INFORMATION

PART II RULES AND REGULATIONS

6. EXTENSION AND MAINTENANCE OF DISTRIBUTION PROVIDER FACILITIES (Cont'd)

K. UNDERGROUND RESIDENTIAL DISTRIBUTION SYSTEMS IN SUBDIVISIONS (Cont'd)

(2) Installation of Underground Distribution System within Subdivisions (Cont'd)

(b) Deposit by the Distribution Customer

In order to guarantee performance of the Distribution Customer's obligation to pay for costs and expenses of construction of underground facilities and to take service in a timely fashion, the Distribution Provider may require from the Distribution Customer before construction is commenced a deposit in a reasonable amount, but in no event more than the estimated total cost of construction. The deposit is in addition to the Distribution Customer's payment (contribution) of its share of costs for installation and shall be returned, with interest, to the Distribution Customer, on a pro rata basis based on the number of dwelling units connected to and receiving service from the system, when each dwelling unit is connected to the system.

When the Distribution Customer is not primarily engaged in the construction of dwelling units within the subdivision and there is no governmental authority requiring undergrounding and overhead facilities are proposed to be installed under Rule 6.K.(5)(a); the Distribution Provider may require a deposit of the full costs and expenses for the overhead distribution system prior to the start of construction. This deposit shall be returned, with interest, to the Distribution Customer, on a pro rata basis based on the number of dwelling units connected to and receiving service from the system, when each dwelling unit is connected to the system.

Any portion of the deposit remaining unrefunded five years from the date the Distribution Provider is first ready to render service from the underground system shall be retained by the Distribution Provider.

The Distribution Customer may post a bond, letter of credit or reasonable equivalent in lieu of any deposit mutually agreeable to the Distribution Provider and the Distribution Customer. In addition, the Distribution Provider may require provision for collection in advance of a reasonable sum for administrative costs. The deposit refund interest rate shall be the rate specified by the PSC for interest on deposits.

(Continued on next leaf)

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