

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2003

Leaf No. 39
Revision: 0
Superseding Revision:

GENERAL INFORMATION

3. EXTENSION AND MAINTENANCE OF COMPANY FACILITIES TO SERVE CUSTOMER (Cont'd)

A. DISTRIBUTION LINE EXTENSIONS (Cont'd)

(4) **Additional Obligations of Residing Applicants**

Before service is provided to a residing applicant, that applicant shall first have:

- (a) Assured the Company that he or she shall be a reasonably permanent customer;
- (b) Agreed to pay the Company the rates charged like customers; and
- (c) Paid or agreed to pay the Company for the installation costs and expenses of any distribution lines, service lines, right-of-way and appurtenant facilities in excess of any allowances under this Rule, prior to the commencement of construction. The costs and expenses for each applicant shall be determined as follows:
 - (i) Service Lines -the costs and expenses for all facilities in excess of any allowances provided under Rule 3.B.
 - (ii) Distribution Lines- the costs and expenses for all facilities in excess of any allowances provided under Rule 3.B. for any distribution line required exclusively to provide service to the applicant's property and a pro rata portion of the costs and expenses for all facilities in excess of any allowances provided under Rule 3.B. for any portion of the distribution line that provides service to more than one applicant's or customer's property. The pro rata portion shall be calculated as follows: each applicant shall be provided a distribution footage allowance of up to the distribution footage allowance under Rule 3.B as required for each customer property to be served. Each individual applicant's distribution allowances will then be totaled to determine the aggregate footage allowance for the distribution line. If an applicant is taking service within this aggregate footage allowance section of distribution provided without cost, then the applicant will not be required to pay for distribution costs. For any sections of distribution beyond the aggregate distribution footage allowances, each applicant of the section beyond the aggregate footage allowances shall pay for that portion of the costs and expenses for that distribution section divided by the number of customers served by that distribution section. If, within 10 years from the date that the extension went into service, any new customer is added to the extension any allowances provided to such an applicant shall be first applied to the existing extension and, if the extension branches or diverges from the existing extension, then and thereafter to the new or additional distribution extension.
- (d) A residing applicant may elect to either:
 - (i) Pay a lump sum payment for the costs and expenses of such facilities. If, within 10 years from the date that the extension went into service, either (1) any new customer is added to the extension the payment amounts shall be recalculated and the applicant that paid a lump sum payment shall receive a prorata refund, without interest, for the cost of that additional portion of distribution lines that the applicant would have received without contribution or (2) the total revenue from all customers served by the distribution extension exceeds 1.5 times the Company's costs and expenses in each of any two consecutive calendar years, the applicant shall receive a prorated refund, without interest, of the lump sum payment based upon the number of years which elapsed before the revenue test was met; or

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York