

P.S.C. No. 7 Electricity  
PENNSYLVANIA ELECTRIC COMPANY  
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#### Rule 7 - Extension of Company Facilities to Serve Customer (continued)

All Customers or other parties that request the removal, relocation or change of Company facilities shall furnish, without expense to the Company, satisfactory rights-of-way acceptable to the Company for the construction, maintenance and operation of the relocated facilities.

Except as otherwise provided by law, a Non-Residential property owner, such as a builder, developer or contractor (owner), shall be responsible for the costs of relocating Company facilities or equipment to accommodate the owner or in fulfillment of the owner's obligation to any public authority.

#### 8. **Taxes on Applicant/Customer Advances**

Any Applicant/Customer advance or other like amount received from an Applicant/Customer under this Tariff, under any contract executed under this Tariff or any other prior Tariff shall constitute taxable income to the Company as defined by the Internal Revenue Service and shall be increased to include a payment by the Applicant/Customer equal to the applicable taxes. Such payment for taxes associated with such Applicant/Customer advance shall provide for the effect of current tax obligations offset by the present value of future tax deductions associated with the facility(ies) to be provided by the Company. The discount rate to be used for present value calculations shall be the Company's Allowance for Funds Used During Construction ("AFUDC") rate adjusted to a net of tax basis. Payments for taxes associated with Applicant/Customer advances shall not be discounted since any refunds of Applicant/Customer advances shall include a pro rata refund of amounts previously collected for applicable taxes.

#### 9. **Minimum Insulation Standards for Residential Construction of Buildings**

All new dwellings in the State of New York for which an application for a building permit was made and plans were filed on or after January 1, 1979, and all new dwellings within the state for which construction was begun on or after January 1, 1979, shall not be eligible for gas and electric service unless these dwellings comply with the prevailing New York State Energy Conservation Construction Code ("Code"). Compliance with this Code shall be satisfied under any of the following circumstances: (i) a building permit is obtained for the dwelling from a building code authority or similar authority empowered by local law to issue building permits; (ii) an affirmation is given by the contractor or builder on a