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Rochester Gas and Electric Corporation

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GENERAL INFORMATION

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

J. <u>UNDERGROUND RESIDENTIAL DISTRIBUTION SYSTEMS IN SUBDIVISIONS</u> (Cont'd)

(6) Contributions (Deposit Info)

In order to guarantee performance, the Company may require from the applicant 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 applicant's payment (contribution) of its share of costs for installation and shall be returned, with interest, to the applicant, 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 Company is first ready to render service from the underground system shall be retained by the Company.

A bond may be posted in lieu of any deposit providing the terms can be mutually agreed upon by the Company and the applicant.

In addition, the Company 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 Commission for interest on deposits.

When the developer 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 3.J.(10)(a); the Company 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 applicant, on a pro rata basis based on the number of dwelling units connected t and receiving service from the system, when each dwelling unit is connected to the system.

The foregoing per-foot contribution may be modified by the Company by a filing with the Public Service Commission on or before May 1 of each year. The average cost per foot for these services shall be based upon the simple averaging of the most recent five years annual average costs. If, after the underground system construction is completed, the development of the subdivision is modified by the addition of dwelling units which then take service from the distribution line within the boundaries of the subdivision, the Company shall recalculate the contribution and make an appropriate refund, without interest, but in no case shall the refund exceed the original contribution. Any portion of the charge remaining unrefunded five years from the date the Company is first ready to render service shall be retained by the Company. Any footage allowances provided under Rule 3.A. shall be first applied to the distribution system, including supply lines where supply lines are required to be underground, then to any service lines.

(7) Cooperation:

Each applicant shall cooperate with the Company in an effort to keep the costs of construction and installation of the underground electric distribution lines, service lines, and appurtenant facilities, as low as possible, consistent with requirements for safe and adequate service, including reasonable provision for load growth and requirements of 16 NYCRR Part 101.

All sewers, water facilities and drainage facilities shall be installed before the Company commences construction.

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