

P.S.C. No. 7 Electricity
PENNSYLVANIA ELECTRIC COMPANY
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Leaf: 27
Revision: 0
Superseding Revision:

Rule 7 - Extension of Company Facilities to Serve Customer (continued)

Whenever an owner or occupant of any property abutting on any street, avenue, road or way as herein-before defined, upon which there is no electric line appropriate to the service requested within a distance of five hundred (500) feet for single phase service or three hundred (300) feet for three phase service from said property, makes a written application upon Company Form 4 for service from the Company, the Company shall furnish, place and construct such lines to service said property, provided: (i) that said Applicant shall first have assured the Company that he shall be a reasonably permanent Customer, and (ii) that he shall first have executed an agreement, the terms of which shall provide substantially as follows:

Applicant shall agree to pay to the Company a lump sum charge for material and installation costs relating to any portion of the distribution and/or service lines that exceed the portion which the Company provides without Customer contribution. Should additional Customers be connected from said distribution and/or service lines during the initial five (5) year period from the date energized, the Customer shall receive a pro rata refund for cost of that additional portion of distribution and/or service lines which the Company would have allowed without Customer contribution; or

Rule 7.b.1 Surcharge Option

A Residing Applicant has the option to elect a monthly surcharge in lieu of a lump sum payment. The surcharge may include Right-of-Way acquisition fees and charges and shall be applicable for ten (10) years, billed in installments as determined by the Company. The surcharge shall be reviewed, recalculated and adjusted for the remaining payment period as a new Customer(s) is added. The interest factor shall remain constant for the life of the surcharge for each Customer.

The monthly surcharge shall be calculated as follows:

$(\text{Cost of excess facilities} \times \text{interest factor}) \div 12$

The interest factor shall be calculated as follows:

$$C / (1 - (1 + C)^{-10})$$

(Where C is the Company's weighted pre-tax cost of capital awarded in the prior rate proceeding.)