

SERVICE CLASSIFICATION NO. 1

STREET LIGHTING SERVICE

APPLICABLE TO USE OF SERVICE FOR:

Lighting of public streets, roads, alleys, ways and highways, and the outdoor lighting of public parks and playgrounds, and of public school district property, in Entire Territory, within the jurisdictional limits of the customer when, and to the extent, requested by the customer; provided that lighting of parks and playgrounds, public ways, and public school district property shall be furnished only if the equipment furnished therefor is and remains readily accessible for maintenance purposes.

CHARACTER OF SERVICE:

Unmetered service; dusk (one-half hour after sunset) to dawn (one-half hour before sunrise), and at other times of abnormal darkness, illumination approximating 4200 hours per year or 24 hours burning.

As provided under Rate below, customer may designate the desired lamps, fixtures and circuitry, all of which Company will own, operate and maintain. However, customer may install, own and maintain such of the poles and conduit system, including handholes and manholes, as customer chooses, provided such poles and conduit system meet, and are installed in accordance with, the Company's specifications; and provided further that Company may, at any time, inspect any such poles or conduit system, or their installation. Company will maintain any such customer poles or conduit system at the request of the customer, pursuant to Special Provision 3a.

Customer may continue to own and the Company will continue to maintain such other street lighting facilities as customer now owns and Company maintains under contracts in effect as of the effective date of this Schedule. Company may, at any time, inspect any such facilities.

Except as provided above, Company maintenance shall not be furnished for any street lighting facilities (lamps, fixtures, poles and street lighting circuitry including conduit and related facilities) which are not owned by the Company.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)
STREET LIGHTING SERVICE

SUPPLY SERVICE OPTIONS AVAILABLE TO CUSTOMERS:

Customers served under this Service Classification may select from two different Supply Service Options as described below. RG&E will offer a Retail Access rate choice and a Non-Retail Access rate choice.

The Retail Access choice is the ESCO Supply Service (ESS). The Non-Retail choice is the RG&E Supply Service (RSS).

RG&E will provide only delivery service for the Retail Access choice. Electricity supply is provided by an Energy Services Company ("ESCO").

RG&E will provide delivery service and commodity service for the Non-Retail Access choice.

1. ESCO Supply Service (ESS)

This Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge (Non-Bypassable Charge ["NBC"] as described in Section 12.B. of PSC No. 19), and a Bill Issuance Charge. Customers that elect ESS and receive a Consolidated Bill will not be subject to the Bill Issuance Charge. An Energy Service Services Company ("ESCO") provides Electric Power Supply to the customer. RG&E provides the delivery service only.

RATE: (Per Month)

Delivery Charges:

The Delivery Charges for Circuit Charge, Fixture Charge, and Lamp Charge are specified in the Delivery Charges section of this Service Classification.

System Benefits Charge:

All kilowatthours, per kWh Per SBC Statement

Renewable Portfolio Standard Charge:

All kilowatthours, per kWh Per RPS Statement, as described in Rule 4

POR Administrative Charge:

All kilowatthours, per kWh Per POR Statement, as described in Rule 12

Bill Issuance Charge (per bill):

\$0.95, as described in Rule 11.F of PSC No. 19

Transition Charge ("TC", or Non-Bypassable Charge ["NBC"]):

All kilowatthours, per kWh Per Transition Charge Statement.

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Rochester Gas and Electric Corporation

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SERVICE CLASSIFICATION NO. 1 (Cont'd)
STREET LIGHTING SERVICE

Reserved for Future Use

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2. RG&E Supply Service (RSS)

This Non-Retail Access choice includes fixed components for RG&E delivery service, a Transition Charge (Non-Bypassable Charge ["TC" or "NBC"] as described in Section 12.B of PSC No. 19), a Bill Issuance Charge, and a commodity charge that fluctuates with the market price of electricity and consists of energy, capacity, capacity reserves, losses, unaccounted for energy, ancillary services and a NYPA Transmission Access Charge (NTAC). The commodity charge will reflect a managed mix of supply resources. Electricity supply is provided by RG&E.

RATE: (Per Month)

Delivery Charges:

The Delivery Charges for Circuit Charge, Fixture Charge, and Lamp Charge are specified in the Delivery Charges section of this Service Classification.

System Benefits Charge:

All kilowatthours, per kWh Per SBC Statement

Renewable Portfolio Standard Charge:

All kilowatthours, per kWh Per RPS Statement, as described in Rule 4

Merchant Function Charge:

All kilowatthours, per kWh Per MFC Statement, as described in Rule 12 of PSC No. 19

Bill Issuance Charge (per bill):

\$0.95, as described in Rule 11.F of PSC No. 19

Transition Charge ("TC", or Non-Bypassable Charge ["NBC"]):

All kilowatthours, per kWh Per Transition Charge Statement.

Electricity Supply Charge:

The charge for Electric Power Supply provided by RG&E will fluctuate with the market price of electricity and will include the following components: Energy, Energy Losses, Unaccounted for Energy, Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, and a Supply Adjustment Charge.

On a monthly basis, RG&E will pass through to these customers the impact of any hedge position entered into on behalf of such customers through an adjustment to the applicable variable commodity charge as described in Section 12.C.2 of PSC No. 19.

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STREET LIGHTING SERVICE

Reserved for Future Use

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

Reserved for Future Use

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

Reserved for Future Use

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**SERVICE CLASSIFICATION NO. 1 (Cont'd)
 STREET LIGHTING SERVICE**

DELIVERY CHARGES:

Circuit Charge (Per Month):

Description	Effective Date		
	Unit Rates per Foot of Street Lighted (1) (Except as Noted)		
	9/26/10	9/01/11	9/01/12
Overhead wire	\$0.01267	.01303	0.01355
Street lighting wood poles, Company owned, per pole	4.1406	4.25783	4.43014
Street lighting wood poles, jointly owned by Company and third party, per pole	2.07007	2.12895	2.21511
Conduit and cable	.08947	0.09202	0.09574
Direct buried cable in URD subdivisions	.04150	0.04268	0.04441
Cable in conduit owned by others	.03190	0.03281	0.03413

- (1) "Per Foot of Street Lighted" shall be determined by measuring along the center lines of intersecting streets. On dead-end or partially lighted streets, the measurement shall be taken to the last lamp. When lighting is installed in parks, playgrounds or on school properties, the measurement shall be taken along the circuit route.

SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

DELIVERY CHARGES: (Cont'd)

Fixture Charge (Per Month):

Unit Type (1)	Description	Rate per Unit Effective 9/26/10	Rate per Unit Effective 9/01/11	Rate per Unit Effective 9/01/12
1(*)	Concrete pole supporting INC harp or globe type luminaire	\$7.74911	7.96953	8.29206
1a(*)	Concrete pole supporting HPS harp or globe type luminaire	7.74911	7.96953	8.29206
2(+)	Pole (15 ft. max.) supporting a Post Top MV luminaire	10.78937	11.09627	11.54533
2a(+)	Pole (15 ft. max.) supporting an octagonal MV luminaire	13.06028	13.43178	13.97536
2b(+)	Wood pole (17 ft. max.) supporting a MV shoebox type luminaire	13.41947	13.80118	14.35972
2d	Pole (15 ft. max.) supporting HPS luminaire	13.27222	13.64975	14.20215
2e(*)	Pole (15 ft. max.) supporting octagonal HPS luminaire	17.34675	17.84017	18.56216
2f	Pole (15 ft. max) supporting a MH post top luminaire	12.53299	12.88948	13.41112
2g	Wood pole (17 ft. max.) supporting a MH shoebox type luminaire	12.21581	12.56329	13.07172
3(+)	Fluted pole with arm supporting MV open type luminaire	7.39152	7.60177	7.90942
3a(*)	Fluted pole with arm supporting INC open type luminaire	6.48248	6.66687	6.93668
3-2(+)	Fluted pole with two arms each supporting MV open type luminaire	10.71021	11.01486	11.46063
3a-2(*)	Fluted pole with two arms each supporting INC open type luminaire	8.88361	9.13630	9.50605
5(+)	Wood pole with arm supporting a MV open type luminaire	3.13740	3.22664	3.35722
5a(*)	Wood pole with arm supporting an INC open type luminaire	1.65807	1.70523	1.77424
6(*)	Steel pole supporting an INC harp or globe type luminaire	4.86066	4.99892	5.20123
6a(*)	Steel pole supporting a HPS harp or globe type luminaire	4.86066	4.99892	5.20123
9(*)	Wood pole with arm supporting MV closed type luminaire (250W max.)	4.07027	4.18605	4.35546
9a(+)	Company wood pole with Customer arm supporting a MV luminaire (175 Watts)	2.35772	2.42479	2.52292
9b(*)	Wood pole with arm supporting an INC closed type luminaire	2.67011	2.74606	2.85719
9c	Wood pole with arm supporting a HPS luminaire (150W max.)	5.12316	5.26889	5.48212
9d	Wood pole with arm supporting a MH closed type luminaire (250W max)	4.51591	4.64436	4.83232
10(+)	Davit pole (20 - 25 ft.) supporting a MV luminaire (400W max.)	9.66583	9.94077	10.34308
10a	Davit pole (20-25 ft) supporting a MH luminaire (250W max)	12.16276	12.50872	13.01496
10a-2	Davit pole (20-25 ft.) supporting two MH luminaires (250W max)	17.84266	18.35019	19.09283
10c	Davit pole (20 - 25 ft.) supporting a HPS luminaire (150W max.)	11.88737	12.22550	12.72027
10-2(+)	Davit pole (20 - 25 ft.) supporting two MV luminaires (400W max.)	13.13858	13.51230	14.05915
10c-2	Davit pole (20 - 25 ft.) supporting two HPS luminaires (150W max.)	17.58082	18.08090	18.81264
11(+)	Davit pole (30 - 35 ft.) supporting a MV luminaire (1000W max.)	14.08508	14.48573	15.07197
11a	Davit pole (30-35 ft.) supporting a MH luminaire (1000W max)	14.31769	14.72495	15.32087
11a-2	Davit pole (20-25 ft.) supporting two MH luminaires (1000W max)	21.59395	22.20818	23.10696
11b	Davit pole (30 - 35 ft.) supporting a HPS luminaire (400W max.)	15.97638	16.43082	17.09578
11-2(+)	Davit pole (30 - 35 ft.) supporting two MV luminaires (1000W max.)	21.42638	22.03585	22.92764
11b-2	Davit pole (30 - 35 ft.) supporting two HPS luminaires (400W max.)	25.20726	25.92427	26.97343
13(+)	Wood pole with arm supporting a MV closed type luminaire (1000W max.)	4.12219	4.23944	4.41102
13a	Wood pole with arm supporting a HPS luminaire (400W max.)	6.99487	7.19384	7.48498

SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

DELIVERY CHARGES: (Cont'd)

Fixture Charge (Per Month):

Unit Type (1)	Description	Rate per Unit Effective 9/26/10	Rate per Unit Effective 9/1/11	Rate per Unit Effective 9/1/12
13b	Wood pole with arm supporting a MH closed type luminaire (1000W max)	4.49484	4.62269	4.80977
20(+)	Customer pole & arm supporting a MV closed type luminaire	3.79279	3.90067	4.05853
20a(+)	Customer pole supporting a MV post top octagonal luminaire	7.32258	7.53087	7.83564
20b	Customer pole & arm supporting a HPS shoebox type luminaire	7.14383	7.34704	7.64437
20c(+)	Customer pole supporting a MV post top luminaire (250W max.)	4.12305	4.24033	4.41193
20d(+)	Customer pole supporting Company high mast HPS luminaire installed by Customer	8.70742	8.95510	9.31751
20g	Customer pole & arm supporting a HPS luminaire	4.25157	4.37250	4.54946
20i	Customer pole supporting a HPS luminaire (250W max.)	7.98818	8.21540	8.54788
20j	Customer pole & arm supporting a MH closed type luminaire	2.82878	2.90925	3.02698
20k	Customer pole supporting a MH post top luminaire (250W max)	3.47149	3.57023	3.71472
21(+)	Customer pole with Company arm supporting a MV closed type luminaire	3.82514	3.93394	4.09315
21a	Customer pole with Company arm supporting a HPS luminaire	5.88666	6.05410	6.29911
21b	Customer pole with Company arm supporting a MH closed type luminaire	4.16902	4.28761	4.46113
C-5(*)	Conduit fed fixture with INC lamp burning 24 hours a day (2500 Lumen)	2.51775	2.58936	2.69416
C-4a	Conduit fed fluorescent tunnel light	9.40623	9.67379	10.06529
C-5a	Conduit fed fluorescent tunnel light burning 24 hours a day	10.10589	10.39334	10.81396
C-6(*)	Conduit fed fixture with two INC lamps (1260 Lumen ea.)	5.09848	5.24351	5.45571

- (1) Detailed descriptions of unit types contracted for will be made a part of the Application for Service.
- (*) Not available for new installations.
- (+) Not available for new installations or replacements. Upon failure luminaires will not be replaced in kind. Customers may select an alternative luminaire from the tariff.

SERVICE CLASSIFICATION NO. 1 (Cont'd)

DELIVERY CHARGES: (Cont'd)

LAMP CHARGE (Per Month):

	<u>Lamp Size (1)</u>	Light Source	Wattage (2)	Billing kW	Per Unit Effective 9/26/10	Per Unit Effective 9/1/11	Per Unit Effective 9/1/12
C-5	1260 Lumen (3)	Incandescent	116	0.116	\$4.32408	\$4.44708	\$4.62705
	2500 Lumen (3)	Incandescent	166	0.166	3.99949	4.11325	4.27972
	2800 Lumen (3)	Incandescent	202	0.202	4.22077	4.34082	4.51650
	2800 Lumen (3)	Incandescent	202	0.202	12.58533	12.94332	13.46714
	4000 Lumen (3)	Incandescent	261	0.261	5.45356	5.60869	5.83567
	6000 Lumen (3)	Incandescent	366	0.366	7.01822	7.21785	7.50996
	10000 Lumen (3)	Incandescent	621	0.621	12.94793	13.31623	13.85514
	Mercury Vapor						
	4400 Lumen (3)	100 Watt	133	0.133	2.53908	2.61131	2.71699
	8500 Lumen (3)	175 Watt	210	0.210	3.66982	3.77421	3.92695
13000 Lumen (3)	250 Watt	290	0.290	4.87885	5.01763	5.22069	
23000 Lumen (3)	400 Watt	460	0.460	7.40494	7.61557	7.92378	
60000 Lumen (3)	1000 Watt	1102	1.102	16.93586	17.41759	18.12248	
	High Pressure Sodium						
	4000 Lumen (3)	50 Watt	58	0.058	1.16660	1.19978	1.24834
	5800 Lumen (3)	70 Watt	81	0.081	1.50608	1.54892	1.61161
	9500 Lumen (3)	100 Watt	116	0.116	2.02423	2.08181	2.16606
	16000 Lumen (3)	150 Watt	171	0.171	2.84102	2.92183	3.04008
	27500 Lumen (3)	250 Watt	300	0.300	4.75962	4.89501	5.09311
	50000 Lumen (3)	400 Watt	457	0.457	7.12067	7.32321	7.61958
	140000 Lumen (3)	1000 Watt	1106	1.106	20.69608	21.28477	22.14617
	Fluorescent						
C-4A	6950 Lumen "Dusk-to-dawn"	100 Watt	130	0.130	2.83360	2.91420	3.03214
C-5A	6950 Lumen "24-hour burning" Metal Halide	100 Watt	130	0.130	4.57076	4.70077	4.89101
	4000 Lumen	70 Watt	95	0.095	2.62231	2.69690	2.80604
	5850 Lumen	100 Watt	130	0.130	2.59391	2.66770	2.77566
	10500 Lumen	175 Watt	210	0.210	2.49650	2.56751	2.67142
	17000 Lumen	250 Watt	300	0.300	2.49956	2.57065	2.67469
	28800 :Lumen	400 Watt	460	0.460	2.49956	2.57065	2.67469

- (1) Lumens listed are "Initial Lumens."
- (2) Where applicable, wattage rating includes load impressed by associated ballast.
- (3) Not available for new installations or for replacement.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE (Cont'd)

MONTHLY CHARGE:

The monthly charge shall be the sum of the lamp, fixture and circuit charges for units in service during the customer's billing period.

DETERMINATION OF kWh CONSUMPTION:

For each of the electricity supply pricing options, kilowatt-hour use will be determined by multiplying the number of luminaires in service by the Billing kW by the total number of burning hours in the billing period. General Information Section 4.12 will be used to determine the number of burning hours in a billing period.

SURCHARGE TO COLLECT TEMPORARY STATE ASSESSMENT ("TSAS"):

A surcharge will be added to each customer bill for service under this Service Classification to collect the Temporary State Assessment (as explained in this Schedule, General Information Section 4.4.). See TSAS Statement.

MERCHANT FUNCTION CHARGE ("MFC"):

The Merchant Function Charge reflects the administrative costs of obtaining electricity supply. All customers taking supply service under this Service Classification with RG&E will be subject to a MFC charge (as explained in General Information Section 12 of PSC No. 19.). See MFC Statement.

INCREASE IN RATES AND CHARGES:

The monthly charge under this Service Classification, shall be increased by the applicable effective aggregate percentage shown in Rule 4.5 for service supplied within the municipality where the customer is taking service.

TERMS OF PAYMENT:

All bills are rendered at the above rate. A late payment charge of one and one-half percent (1 1/2%) per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.2.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

TERM:

One year from the initial rendering of service, including service previously rendered under contract, and thereafter until terminated on one year's written notice by either the Company or the customer. At any time after initial rendering of service, the customer may elect to purchase the Company's street lighting facilities being used to serve the customer in accordance with Special Provision 3.c. In such case, the initial term and the one year's written notification will be waived. However, if the customer elects to terminate service under this service classification and elects not to acquire the street lighting facilities being used to serve the customer, Special Provision 2.c shall be fully applicable notwithstanding termination. Further, the rules, rates and charges for service shall be subject to changes at any time when such changes are filed with, and accepted by the Public Service Commission.

SPECIAL PROVISIONS:

1. The Company agrees, subject to its ability to obtain needed materials, to:
 - a. Furnish, install and operate the street lighting system as now obtains, or as may be hereafter changed by written request of the customer within the jurisdictional limits of customer.
 - b. Furnish all materials and do all work and provide all labor necessary to perform Special Provision 1.a above. The materials shall be of high quality and kind and all equipment shall be installed, and operated in accordance with the latest rules of the National Electric Safety Code, as approved by the American National Standards Institute.
 - c. Maintain the street lighting system so that it is wholly serviceable in function and presentable in appearance (provided however, that maintenance of customer owned equipment shall be performed pursuant to Special Provision 3.a). Said maintenance shall include, but not be limited to, an efficient system of lamp replacement so that any lamps which fail to burn properly shall be promptly put in order or replaced with new lamps. Upon receiving notice from the customer that there is a defective lamp, the Company will put the same in order or replace the lamp within 72 hours, except that Saturdays, Sundays and holidays shall be excluded in computing the 72-hour period.

For each night the lamp is not lighted in accordance with the first paragraph of this Special Provision 1.c, the customer shall be credited an amount equal to 1/365 of the total rate for that lamp and fixture. No credits shall be allowed for outages due to fire, strikes, acts of God or public enemy or circumstances and conditions over which the Company has no control.

Subject to the availability of manpower, equipment and materials, the customer can require the Company to perform additional maintenance, over and above the Company's standard maintenance, on those facilities which Company is to maintain under this Service Classification; provided, however, that such additional maintenance shall not impair the value of such facilities. Customer shall pay for such additional maintenance pursuant to Rule 4.3.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

SPECIAL PROVISIONS: (Cont'd)

- d. Remove existing lamps, fixtures and circuits (except poles and conduit system installed, owned or maintained by customer) upon written request of the customer, provided that, the customer shall pay the Company the actual cost of labor and material, including applicable overhead expenses, incurred in such removal, plus the unamortized investment for the removed items less salvage equipment value.
- e. Make changes in the location of existing lamps, fixtures and circuits (except poles and conduit system installed, owned or maintained by customer) upon written request of the customer, provided customer shall pay to the Company the actual cost of labor and material, including applicable overhead expenses incurred in such relocation. Customer shall not be required to pay the cost of relocating lamps, fixtures or circuitry from locations other than those theretofore approved by the customer.
- f. Upgrade the existing street lighting system (except poles and conduit system installed, owned or maintained by customer), by replacing any of the lamps, fixtures and circuitry at the written request of the customer. However, the foregoing (1) shall not be applicable to existing items unless customer agrees to pay Company's cost of removal in accordance with Special Provision 1d; and (2) shall not obligate the Company to expend in any calendar year, for any customer, an amount greater than 5% of its existing investment (on an original cost basis) in street lighting plant installed for such customer for all costs in connection with such replacements, including labor, materials, applicable overheads and additions of conduit, cable, poles, wire and other appurtenances.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

SPECIAL PROVISIONS: (Cont'd)

- g. Promptly furnish, install and operate additional lamps, fixtures and circuits upon written request of the customer at the unit charges herein specified (subject to Special Provision 2a).
- h. Provide temporary lighting installations upon written request of the customer, pursuant to, and subject to the provisions of rule 3.2. For such temporary service the charge under this Service Classification, in addition to those specified in Rule 3.2, shall be the applicable "Lamp Charge", prorated for the period of time during which such temporary service is rendered.
- i. Install and remove glare shielding devices, on installed lamp fixtures, where feasible, upon written request of the customer at Company expense.
- j. Allow the customer to have access to all maps, books, accounts and records relating to the street lighting system of the customer.
- k. Not permit the installation of facilities by others on poles used solely for street lighting purposes without customer's consent.
- l. Furnish to customer as of the end of each calendar year an inventory, separately stated, of all street lighting equipment owned or maintained by the Company and used in supplying street lighting to the customer. Said inventory shall be the basis of determining the billings under the tariff for the following January, and thereafter, adjusted, however, for changes to the facilities. The Company will provide customer with such additional inventories as customer requests of the aforesaid equipment; provided, however, that Company shall not be required to provide more than one additional inventory in any calendar year unless the customer bears the cost thereof.
- m. The properly authorized agents of the Company shall, at all reasonable hours, have access to the customer's premises for the purpose of installing, examining, repairing, or removing street lighting equipment.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

SPECIAL PROVISIONS: (Cont'd)

2. The customer agrees:
 - a. Not to require the Company to make any installations or changes during the winter period (December 15 to March 15 inclusive) unless the customer pays, pursuant to Rule 4.3, the difference in costs therefore between what the installation would have cost if made during the prior summer and the actual cost; however, the Company agrees to continue normal maintenance and restoration of existing facilities during such period.
 - b. To authorize and does authorize the Company to the extent that it may lawfully do so, to trim and cut such trees, vines or shrubbery as may interfere with the proper construction, operation, light distribution and maintenance of the Company's street lighting facilities provided such trimming and cutting is done with notice to the customer and the customer shall have the right to supervise the same. All such trimming and cutting shall be done in a prudent and professional manner under the supervision of qualified personnel.
 - c. Upon termination of service hereunder, the Company shall have the right, within a reasonable time thereafter, to remove any street lighting facilities placed, installed, erected or used by it in providing street lighting service hereunder to the customer. Further, the customer shall pay to the Company the unamortized investment for such items; and if any such items are removed, the customer shall also pay to the Company the actual cost of labor and material, including applicable overhead expenses, incurred in such removal, less the salvage equipment value thereof.

The customer may require the Company to remove any facilities (other than conduit) which the Company does not otherwise elect to remove provided that, if the customer has terminated service under this Service Classification, the customer shall pay to the Company the actual cost of labor and material, including applicable overhead expenses, incurred in such removal, less the salvage equipment value of the removed items.

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SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

SPECIAL PROVISIONS: (Cont'd)

3. The Company and customer agree that:

- A. At customer option, the Company will maintain from its standard system inventory, conduits, pull boxes (handholes or manholes), pole bases and poles that are owned by customer, and which meet, and are installed in accordance with the Company's specifications; customer shall pay to the Company the actual cost of labor and material, including applicable overhead expenses, incurred in carrying out such work.

Customer may also elect to have Company continue to maintain, from its standard system inventory, such other street lighting facilities that are owned by customer as are now maintained by the Company under contracts in effect as of the effective date of this Schedule; provided that such maintenance by Company shall not be expanded or enlarged and provided further that customer shall pay to the Company the actual cost of labor and material, including applicable overhead expenses, incurred in carrying out such work.

- B. From time-to-time, the customer may require the temporary shut-off of such lamps as customer designates, provided that the shut-off period shall not be less than a period of 24 hours. Neither such shut-off, nor the subsequent turn-on of such lamps, shall be required on Saturdays, Sundays, holidays, or at other than during the Company's normal business hours.

The customer shall pay the Company's costs and expenses of such shut-offs and subsequent turn-ons. During the period that any lamp is so shut-off the customer shall continue to pay all of the applicable charges for such lamp and other facilities under this Service Classification No. 1.

- C. The Customer may, at its option, elect to purchase the portion of the Company's street lighting system being used to serve the customer. The following guidelines will apply to any sale of the Company's street lighting facilities:
- i. A customer desiring to purchase the street lighting system being used to serve it shall inform the Company in writing of such desire, and indicate which portion of that system it desires to purchase. The lights to be purchased must be contained in single contiguous geographic area, defined as being an area bounded on all sides by a public right of way and containing all area within those bounds. If the geographic area contains series lighting circuits, all the lights on those circuits must be purchased, even if such circuits extend outside the contiguous area.

(Continued on next leaf)

SERVICE CLASSIFICATION NO. 1 (Cont'd)

STREET LIGHTING SERVICE

SPECIAL PROVISIONS: (Contd.)

3.C (Cont'd)

- ii) The customer must purchase a minimum of 25% of the lights that were owned by the Company within the municipality prior to any purchase(s) made under this rule, and the facilities associated with those lights, or 100 lights and their associated facilities, whichever is greater. If the customer requests purchase of a geographic area which contains slightly less than the 25% minimum, the Company will consider such an offer, provided that there is some logical rationale for the area chosen. Notwithstanding the above, if a customer owns 70% or more of the lights originally owned by the Company prior to any purchase(s) made by the customer under this rule, any further purchase must encompass all remaining lights. If a proposed purchase of lights would reduce the amount of lights owned by the Company within the municipality to less than 15% of the lights originally owned by the Company prior to any purchase(s) made by the customer under this rule, or to less than 100 lights, completion of the proposed purchase will be contingent upon written agreement by the customer to purchase all remaining lights within 2 years of the currently proposed purchase. Such written agreement shall include all terms and conditions of the sale of the remaining lights, including but not limited to the sale price and time frame of the sale. The Company may contract to sell the system in increments over an agreed upon time frame or to accept payments in installments, upon payment and other terms acceptable to the Company.
- iii) The Company will develop an estimate of the costs that it will incur to physically separate the system being sold from the rest of its distribution system in order for the Company to meet all applicable codes and regulations. This estimate will not include costs that the customer may incur in order for the Customer to meet any codes and regulations that may apply to it.
- iv) The Company will determine a proposed purchase price of the equipment, taking into account factors which may include, but are not limited to, the market value of the street lighting system to be sold, the remaining book value of the street lighting system to be sold, potential federal income tax implications resulting from accelerated depreciation of the equipment for tax purposes, and any other costs which the Company may incur in order to complete the sale.
- v) Within 30 business days of a customer providing written notice to the Company of its desire to purchase its street lighting system, the Company will respond, in writing, with the proposed purchase price and the estimate of separation costs. The actual purchase price of the street lighting system may be negotiated between the Company and the customer.