

Rule 14
GENERAL RULES AND REGULATIONS – LINE EXTENSIONS

I. CONDITIONS AND DEFINITIONS:

A. CONTRACTS:

Before Building an Extension, the Company may require the Applicant to sign a contract. Where a tenant occupies the service location, the Company may require the property owner to sign the contract.

B. CONTRACT MINIMUM BILLING:

The Contract Minimum Billing is the greater of: (1) the customer's monthly bill; or (2) 80% of the customer's monthly bill plus the Facilities Charges. Customers on a seasonal rate receive an annual Contract Minimum Billing of the greater of: (1) the customer's annual bill; or (2) 80% of the customer's annual bill plus the Annual Facilities Charge. The Annual Facilities Charge is 12 times the Facilities Charges. Contract Minimum Billings begin on the date service is first made available by the Company, unless a later date is mutually agreed upon. The Applicant or subsequent customer(s) shall pay the Contract Minimum Billing as specified by this Rule.

C. ENGINEERING COSTS:

The Company includes designing, engineering and estimating in its Extension Costs. The Company will provide these services at no charge unless, in the Company's judgment, it determines the extension is large, complex or speculative.

For large, complex or speculative Extensions, the Applicant or customer must advance the Company's estimated Engineering Costs, but not less than \$200. The Company will apply this advance payment to its Extension Costs. If the Extension Allowance exceeds the Extension Costs, the Company will refund the excess up to the amount of the Applicant's or customer's advance.

If Applicant or customer requests changes that require additional estimates, they must advance the Company's estimated Engineering Costs, but not less than \$200 for each additional estimate. The Company will not refund or credit these payments.

D. EXTENSION ALLOWANCE:

The Extension Allowance is the portion of the Extension that the Company may provide, or allow, without cost to the Applicant. The portion will vary with the class of service that the Applicant requests and shall not exceed the Extension Cost. The Extension Allowance does not include additional costs resulting from: additional voltages; duplicate facilities; additional points of delivery; or any other Applicant requested facilities that add to, or substitute for, the Company's standard construction methods or preferred route. The Extension Allowance is not available to Customers receiving electric service under special pricing contracts.

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I. CONDITIONS AND DEFINITIONS: (continued)

E. EXTENSION COSTS:

Extension Costs are the Company's total costs for constructing an Extension using the Company's standard construction methods, including services, transformers, labor, materials and overhead charges.

F. EXTENSION LIMITS:

The provisions of this rule apply to Line Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct Line Extensions with special requirements or limited revenues under the terms of special contracts.

Examples of special requirements include, but are not limited to: unusual costs incurred for obtaining rights-of-way, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the applicant's request, or non-standard construction requirements.

G. FACILITIES CHARGES:

The Facilities Charges are those costs associated with the ownership, operation and maintenance of facilities built to provide service and are in addition to Schedule Billings. Schedule 300 specifies the Facilities Charges.

H. RESTRICTIONS:

An Extension of the Company's facilities is subject to these rules and other rules and restrictions. These may include, but are not limited to: laws of the United States; State law; executive and administrative proclamations; Commission orders or regulations; or, any lawful requirement of a governmental body.

I. ROUTES, EASEMENTS, AND RIGHTS-OF-WAY:

The Company will select the route of an Extension in cooperation with the Applicant. The Applicant must pay all costs of complete unencumbered rights-of-way, easements, or licenses to use land, and for any preparation or clearing the Company may require. The Applicant may acquire and prepare the rights-of-way, easements, or licenses in a form acceptable to the Company, or if requested by the Applicant, the Company will do so at the Applicant's expense.

J. RULES PREVIOUSLY IN EFFECT:

Rule changes do not modify existing Extension contracts. If a Customer advanced funds for an Extension under a rule or a contract previously in effect, the Company will make refunds for additional Customers as specified in the previous rule or contract.

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I. CONDITIONS AND DEFINITIONS: (continued)

K. SERVICE CONDUCTORS:

The secondary-voltage conductors extending from the pole line, the underground secondary-voltage main, a secondary voltage transformer, or a secondary-voltage switch cabinet to the Point of Delivery.

II. RESIDENTIAL EXTENSIONS:

A. EXTENSION ALLOWANCES:

The Extension Allowance for Residential applications is \$1050. The Extension Allowance for Residential applications in a Planned Development is \$250. Residential Service meters used by the Company for billing purposes are provided at no cost to the Applicant. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

B. ADDITIONAL CUSTOMERS, ADVANCES AND REFUNDS:

A Customer that pays a refundable advance for a portion of the construction costs of an Extension may receive refunds if additional Applicants connect to the Extension. The Company will, at its initiative or on request from the Customer, compute refunds based on 25% of the cost of the shared facilities for each of the next three Applicants utilizing any portion of the initial Extension and make collections from the Applicants and refunds to the original Customer provided the follow two conditions are satisfied:

1. The original Extension has been in service less than five years when the additional connections are made.
2. The original Extension has been in service less than seven years when the application for refund is made.

C. REMOTE AND SEASONAL SERVICE:

1. CONTRACTS:

The Company will make Extensions for Remote and Seasonal Residential Service according to a written contract. The contract will require the Applicant to advance the estimated cost of facilities in excess of the Extension Allowance. The Applicant shall also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

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- II. **RESIDENTIAL EXTENSIONS:** (continued)
- C. **REMOTE SEASONAL SERVICE:** (continued)

2. **ADDITIONAL APPLICANTS:**

During the first five years after the Company completes the Extension, each of the next three Applicants must pay an allocated share of the original Customer's contribution. The Company will determine these shares taking into account: (a) how much of the original line the new Applicant shares; (b) the load sizes of the Applicant and the existing Customers; and (c) the advances of the existing Customers. The Applicant must pay this allocated share before the Company will provide service. The Company will refund this share to the existing Customers.

Additional Applicants must also pay their proportionate share of the Contract Minimum Billings of the existing Customers. The Company will allocate the Facilities Charges in the same manner used for allocating the original advance.

The Applicant also must pay the estimated cost of any facilities exceeding the Extension Allowance.

D. **THREE PHASE RESIDENTIAL SERVICES:**

Where three phase Residential Service is requested, the Applicant shall pay the difference in cost between single phase and three phase service.

E. **TRANSFORMATION FACILITIES:**

When an existing residential Customer adds load, or a new residential Customer builds in a subdivision where secondary service is available at the lot line, either by means of a transformer or a secondary junction box and the existing transformation facilities or service conductors are unable to serve the increased residential load:

1. The facilities upgrade shall be treated as a standard line extension if the Customer's demand exceeds 25 kVA, or if the facilities serve only that customer.
2. The facilities upgrade shall be treated as a system improvement and not be charged to the Customer if the Customer's demand does not exceed 25 kVA and the facilities are shared by two or more customers.

F. **UNDERGROUND EXTENSIONS:**

The Company will construct an Extension underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Applicant must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

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III. NONRESIDENTIAL EXTENSIONS:

A. EXTENSION ALLOWANCES:

1. LESS THAN 1,000 KW:

The Company will grant Nonresidential Applicants requiring less than 1,000 kW an Extension Allowance equal to the estimated annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

The Company may require the Customer to pay a Contract Minimum Billing for five years.

2. 1,000 KW OR GREATER:

The Company will grant Nonresidential Applicants requiring 1,000 kW or greater an Extension Allowance equal to the estimated annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance. Fifty percent of the advance is due when the contract is executed with the remaining balance due upon completion of the Extension.

The Customer must pay a Contract Minimum Billing for 10 years from the date service is taken.

If service is terminated within the first 10 years, the Customer must pay a termination charge equal to the Extension Allowance less 1/10th of the allowance for each year service was taken.

3. REMOTE SERVICE:

The Company will grant Applicants for Remote Service an Extension Allowance equal to the estimated annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

4. SEASONAL SERVICE (INCLUDING FROST PROTECTION SERVICE):

The Company will grant Applicants for Seasonal Service an Extension Allowance equal to the estimated annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay an annual Contract Minimum Billing in November of each year, for as long as service is taken, but in no case less than five years. However, Customers on Agricultural Pumping Schedules shall pay an annual Contract Minimum Billing in November of each year, for only five years.

5. STREET LIGHTING:

The Extension Allowance to streetlights taking service under Rate Schedules 51 or 53 is equal to five times the annual revenue from the lights to be added. The Applicant must advance costs exceeding the Extension Allowance prior to the lights being added.

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III. NONRESIDENTIAL EXTENSIONS: (continued)

B. ADDITIONAL CUSTOMERS, ADVANCES AND REFUNDS:

1. INITIAL CUSTOMER – LESS THAN 1,000 KW:

A Customer that pays a refundable advance for a portion of the construction costs of an Extension may receive refunds if additional Applicants connect to the Extension. The Company will, at its initiative or on request from the Customer, compute refunds based on 25% of the cost of the shared facilities for each of the next three Applicants utilizing any portion of the initial Extension and make collections from the Applicants and refunds to the original Customer provided the following two conditions are satisfied:

- a. The original Extension has been in service less than five years when the additional connections are made.
- b. The original Extension has been in service less than seven years when the application for refund is made.

2. INITIAL CUSTOMER – 1,000 KW OR GREATER:

A Customer that pays a refundable advance for a portion of the construction costs of an Extension may receive refunds if additional Applicants connect to the Extension. The Company will, at its initiative or on request from Customer, compute refunds on a proportionate share basis for each of the next three Applicants utilizing any portion of the initial Extension and make collections from the Applicants and refunds to the original Customer provided the following two conditions are satisfied:

- a. The original Extension has been in service less than five years when the additional connections are made.
- b. The original Extension has been in service less than seven years when the application for refund is made.

Proportionate Share = (A + B) x C

Where:

A = [Shared footage of line] x [Average cost per foot of the line]

B = Cost of the other shared distribution equipment, if applicable

C = [New additional connected load]/[Total connected load]

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III. NONRESIDENTIAL EXTENSIONS: (continued)

B. ADDITIONAL CUSTOMERS, ADVANCES AND REFUNDS: (continued)

3. ADJUSTMENT OF CONTRACT MINIMUM BILLING:

Additional Customers also must share the Facilities Charges of the existing Customers. The Company will allocate the Facilities Charges in the same manner used for allocating the original advance.

C. UNDERGROUND EXTENSIONS:

The Company will construct Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Applicant must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

D. STREET LIGHTING:

The Extension Allowance to streetlights taking service under rate schedules 51 or 53 or 54 is equal to five times the annual revenue from the lights to be added. The Applicant must provide a non-refundable advance for costs exceeding the Extension Allowance prior to the lights being added. Facilities charges and Contract Minimum Billings do not apply to streetlights.

IV. EXTENSIONS TO PLANNED DEVELOPMENTS:

A. GENERAL:

Planned Developments, including subdivisions and mobile home parks, are areas where groups of buildings or dwellings may be constructed at or about the same time. The Company will install facilities in developments before there are actual Applicants for service under the terms of a written contract.

B. ALLOWANCES AND ADVANCES:

For Nonresidential developments the Developer must pay a non-refundable advance equal to the Company's estimated installed costs to make primary service available to each lot.

For Residential developments the Company will provide the Developer an Extension Allowance of \$800 for each lot. The Developer must pay a non-refundable advance for all other costs to make secondary voltage service available to each lot. No Extension Allowance will be provided to the Developer for lots without secondary voltage service to the lot line.

For both Nonresidential and Residential developments the Company may require the Developer to pay for facilities to provide additional service reliability or for future development.

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IV. EXTENSIONS TO PLANNED DEVELOPMENTS: (continued)

C. REFUNDS:

The Company will make no refunds for facilities installed within a development. However, a Developer may receive refunds on an advance paid for a new Extension to the development if additional Applicants connect to that Extension outside the development. The Company will, at its initiative or on request from the Developer, compute refunds based on 25% of the cost of the shared facilities for each of next three Applicants utilizing the extension paid for by the Developer, and make collection from the Applicants and refunds to the Developer provided the following two conditions are satisfied:

1. The original Extension has been in service less than five years when the additional connections are made.
2. The original Extension has been in service less than seven years when the application for refund is made.

D. UNDERGROUND EXTENSIONS:

The Company will construct Extensions underground when requested by the Developer or required by local ordinances or conditions. The Developer must pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule. The Developer must provide all trenching and back filling, imported backfill material, conduits, and equipment foundations that the Company requires for the development. If the Developer requests, the Company will provide these items at the Developer's expense.

V. EXTENSION EXCEPTIONS:

A. APPLICANT BUILT EXTENSIONS:

1. GENERAL:

An Applicant may contract with someone other than the Company to build an Extension. The following circumstances, however, are not an option for Applicant Built Line Extensions: relocations, conversions from overhead to underground, going from single phase to three-phase, or increasing the capacity of facilities. The Applicant must contract with the Company before starting construction of an Applicant Built Line Extension. When the Applicant has completed construction of the Line Extension and the Company approves it, the Company will connect it to the Company's facilities and assume ownership.

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V. **EXTENSION EXCEPTIONS:** (continued)

A. **APPLICANT BUILT EXTENSIONS:** (continued)

2. **LIABILITY AND INSURANCE:**

The Applicant assumes all risks for the construction of an Applicant Built Extension. Before starting construction, the Applicant must furnish a certificate naming the Company as an additional insured for a minimum of \$1,000,000. The Applicant may cancel the policy after the Company accepts ownership of the Extension.

3. **ADVANCE FOR DESIGN, SPECIFICATIONS, MATERIAL STANDARDS AND INSPECTIONS:**

The Applicant must advance the Company's estimated costs for design, specifications, material standards and inspections. When the Applicant has completed construction, the Company will determine its actual costs and may adjust that portion of the Applicant's advance. If the actual costs exceed the Applicant's advance, the Applicant must pay the difference before the Company will accept and energize the Extension. If the actual costs are less than the Applicant's advance, the Company will refund the difference.

The Company will estimate the frequency of inspections and convey this to the Applicant prior to the signing of the contract. For underground Extensions, the Company may require that an inspector be present whenever installation work is done.

4. **CONSTRUCTION STANDARDS:**

The Applicant must construct the Extension in accordance with the Company's design, specifications, and material standards and along the Company's selected route. Otherwise, the Company will not accept or energize the Extension.

5. **TRANSFER OF OWNERSHIP:**

Upon approval of the construction, the Company will assume ownership of the Extension. The Applicant must provide the Company unencumbered title to the Extension.

6. **RIGHTS-OF-WAY:**

The Applicant must provide to the Company all required rights-of-way, easements and permits in accordance with paragraph I.(I) in this Rule.

7. **CONTRACT MINIMUM BILLING:**

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph I.(B) in this Rule.

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V. **EXTENSION EXCEPTIONS:** (continued)

A. **APPLICANT BUILT EXTENSIONS:** (continued)

8. **DEFICIENCIES IN CONSTRUCTION:**

If, within 24 months of the time the Company energizes the Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency.

9. **EXTENSION VALUE:**

The Company will calculate the value of an Extension using its standard estimating methods. The Company will use the Extension Value to calculate Contract Minimum Billings, reimbursements, and refunds.

10. **EXTENSION ALLOWANCE:**

After assuming ownership, the Company will calculate the appropriate Extension Allowance. The Company will then reimburse the Applicant for the construction costs covered by the Extension Allowance, less the cost of any Company provided equipment or services, but in no case more than the Extension Value.

B. **DUPLICATE SERVICE FACILITIES:**

The Company will furnish Duplicate Service Facilities if the Customer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Customer also must pay Facilities Charges for the Duplicate Facilities for as long as service is taken, but in no case less than five years.

C. **EMERGENCY SERVICE:**

The Company will grant Applicants requesting Emergency Service an Extension Allowance equal to the estimated increase in annual revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

D. **INTERMITTENT SERVICE FACILITIES:**

The Company will serve Intermittent loads provided the Customer advances the estimated cost of facilities above the cost of facilities which the Company would otherwise install. The Customer also must pay a Contract Minimum Billing for as long as service taken, but in no case less than five years. If load fluctuations become a detriment to other Customers, the Company may modify the facilities and adjust the advance and the Contract Minimum Billing.

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GENERAL RULES AND REGULATIONS – LINE EXTENSIONS

V. EXTENSION EXCEPTIONS: (continued)

E. TEMPORARY SERVICE:

The Company will provide Temporary Service upon payment of a Temporary Service charge. The charge for installations requiring only a service drop and a meter is specified in Schedule 300. All other installations require a written agreement and payment of:

- the estimated installation cost, plus
- the estimated removal cost, plus
- the estimated cost for rearranging any existing facilities, less
- the estimated salvage value of the facilities required to provide Temporary Service.

The Company may require a Customer to sign a General Service Contract when Customer is requesting a temporary electrical service in connection with the construction of permanent facilities. The Customer is also responsible for: electric service supplied under the appropriate rate schedule; any advances required for sharing previous Extensions; and, Contract Minimum Billings.

If a Customer takes Temporary Service under a Temporary Service Contract continuously for 60 consecutive months, the Company will classify the Extension as permanent and refund any payment the Customer made over that required of a permanent Customer. The Company will not refund the Facilities Charges.

VI. RELOCATION OR REPLACEMENT OF FACILITIES:

A. RELOCATION OF FACILITIES:

If requested by an Applicant or Customer the Company will: relocate distribution facilities on to, or adjacent to, the Customer's premises; and/or, replace existing overhead distribution facilities with comparable underground (overhead to underground conversion). Applicant or Customer is also responsible for Routes, Easements and Rights-of-Way as given in Section I.I of this rule. Substation facilities and transmission voltage facilities will be relocated at the discretion of the Company.

For overhead to underground relocations (conversions), the new underground system must not impair the use of the remaining overhead system. The Applicant or Customer must elect either: to provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the relocation; or, to pay the Company to provide these items.

In addition, the Applicant or Customer must advance the following:

1. The estimated installed cost of the new facilities plus the estimated removal expense of the existing facilities, less
2. The estimated salvage value of the removed facilities.

This Advance is not refundable. The Company is not responsible for allocating costs and responsibilities among multiple Applicants.

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VI. RELOCATION OR REPLACEMENT OF FACILITIES: (continued)

B. LOCAL GOVERNMENTS:

When required by a governmental entity and when such conversion is practical, the Company will replace existing overhead with underground distribution facilities provided the entity pays the Company in accordance with Section VI.(A) above, and provided the entity adopts an ordinance creating an underground district requiring:

1. All existing overhead communication and electric distribution facilities be removed; and
2. Each property owner to make the changes necessary to receive service from the underground facilities as soon as the Company makes them available; and
3. Authorizes the Company to discontinue overhead service when it has completed construction of the underground facilities.

VII. CONTRACT ADMINISTRATION CREDIT:

Customers may waive their right to receive refunds on a Extension advance. Customers who waive this right will receive a Contract Administration Credit of \$250. The Customer's choice to receive the Contract Administration Credit must be made at the time the Extension advance is paid.