

RULE NO. 15

LINE EXTENSIONS

A. LINE EXTENSIONS - CONDITIONS AND DEFINITIONS

1. 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.

2. 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 twelve (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.

3. Distribution Revenue

That portion of the total rate that supports the Company's Extension Costs. Distribution Revenue excludes such items as fuel costs, generation, transmission, Competition Transition Charge (CTC), public purpose programs, and other costs that do not support the Extension Costs.

4. Engineering Costs

The Company includes designing, engineering and estimating in its Extension Costs. The Company may require the Applicant to advance the Company's estimated engineering costs, but not less than \$200. The Company will apply this advance payment to its Extension Costs. If, after applying the Extension Allowance, it is determined that the total advance required is less than the advance already received, the excess will be refunded to the Applicant.

If the 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 this payment.

5. Extension or Line Extension

A branch from, a continuation of, or an increase in the capacity of an existing Company-owned transmission or distribution line. An extension may be single-phase, three-phase, or a conversion from a single-phase line to a three-phase line. An extension may also be the addition of, or increase in the capacity of other facilities.

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

A. LINE EXTENSIONS - CONDITIONS AND DEFINITIONS (Continued)

6. 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 Costs. The Extension Allowance does not apply to 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.

7. Extension Costs

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

8. 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 overtime wages, use of special equipment and facilities, accelerated work schedules to meet the Applicant's request, or non-standard construction requirements.

9. Facilities Charges

Line Extension Facilities Charges are those costs associated with the ownership and maintenance of facilities built to provide service. When assessed these Facilities Charges are in addition to standard rate schedule charges and are specified in Schedule 300

10. Refunds

An Applicant who pays a refundable advance on an Extension is eligible for up to three refunds during the first five years. Within that five-year period the Applicant may waive any refund that is less than 25% of the Applicant's total refundable advance in order to accept three refunds offering greater value. An Applicant is not eligible for refunds from future Extension applications from themselves.

For non-waived refunds the additional Applicants must pay the Company, prior to connection, as provided in the section for the original Applicant. The Company will refund such payments to the Applicant(s) who paid the refundable advance. The Company will not collect from additional Applicants any portion of a waived refund.

An Applicant to whom a refund is due, but who the Company has failed to identify or has been unable to locate, has 36 months from the connection of the additional Applicant to request their refund.

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

A. LINE EXTENSIONS - CONDITIONS AND DEFINITIONS (Continued)

- 10. **Refunds (Continued)**
An advance, for facilities for which the Applicant's, Customer's or Developer's cost share is limited to the capacity they require, is non-refundable.
- 11. **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; laws of the State; executive and administrative proclamations; Commission orders or regulations; or, any lawful requirement of a governmental body.
- 12. **Routes, Easements and Rights-of-Way**
The Company will select the route of an Extension in cooperation with the Applicant. The Applicant will acquire and pay all costs, including renewal costs, of obtaining complete, unencumbered rights-of-way, easements, or licenses to use land, and will pay all costs for any preparation or clearing of land the Company may require. All rights-of-way, easements or licenses shall be on Company-provided standard forms, subject to revisions acceptable to the Company, and shall not include indemnification of the Applicant. If requested by the Applicant, the Company will assist in obtaining rights-of-way, easements or licenses as described above, at the Applicant's expense.
- 13. **Rules and Standards 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.

In compliance with Section 783 of the Public Utilities Code, no Customer shall be required to meet design specifications, standards, terms and conditions not in place at the time they entered into a contract for service with the Company with the following exceptions:
 - a. 18 months have elapsed since entering into the contract for service.
 - b. Compliance with an order or decision of the commission or any other state or federal agency with jurisdiction.
 - c. Customer-driven scope of work changes subsequent to the contract date resulting in construction or design changes.
 - d. Material-related design changes to remedy material defects that could pose a risk to public safety.
- 14. **Service Conductors**
The secondary-voltage conductors owned and maintained by the Company extending from the Company's facility to the Point of Delivery.

B. RESIDENTIAL EXTENSIONS

- 1. **Extension Allowances**
The Extension Allowance for permanent residential applications is \$1100 per residence. The Extension Allowance for permanent residential applications in a planned development with secondary to the lot line is \$500, otherwise it is \$1100. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.¹
- 2. **Additional Customers, Advances and Refunds**
A Customer that pays for a portion of the construction of an Extension may receive refunds if additional Customers connect to the Extension. The Customer is eligible for refunds during the first five years following construction of an Extension for up to three additional Customers as given in section A.10. Refunds. Each of the next three Customers, for which refunds are not waived, utilizing any portion of the initial Extension must pay the Company, prior to connection, 25% of the cost of the shared facilities, for which a refundable advance was paid. The Company will refund such payments to the initial Customer.

¹ Pursuant to Decision 21-12-033 all residential service facility upgrade costs, in excess of the residential allowance, required to accommodate Basic Plug-in Electric Vehicle charging shall be treated as common facility costs rather than being paid for by the individual residential customer or multi-unit residential dwelling property owner. Basic Plug-in Electric Vehicle charging is intended to encompass Level 1 and Level 2 charging (120 volt and 240 volt charging, respectively).

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

B. RESIDENTIAL EXTENSIONS (Continued)

3. Remote and Seasonal Service

a. Contracts (Continued)

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.

Primary residences are not Remote when the density of such residences exceeds one residence per one-half mile of line. Facilities Charges will cease when Customers are no longer remote.

The Contract Minimum Billing will not include Facilities Charges on the first one-half mile of line from the Company's existing distribution facilities. Where there are groups of remote facilities only the first one-half mile is exempt from Facilities Charges.

After the initial five year contract period, Remote Service Contract Minimum Billings may be canceled by termination of electric service to the Customer's premises and Customer payment of the removal costs of those inactive facilities originally installed to serve the Customer.

b. 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: (i) how much of the original line the new Applicant shares; (ii) the load sizes of the Applicant and the existing Customers; and (iii) 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 also share the Facilities Charges of the existing Customers. The Facilities Charges of the refund are allocated to the Applicant paying the refund.

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

4. Three Phase Residential Service

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

5. Transformation Facilities

When an existing residential Customer adds load, or if a new residential Customer builds in a subdivision where the developer has installed secondary to the lot line, either by the means of a transformer or a secondary junction box, and the cumulative loads exceed the existing transformer's, service conductor's or other equipment's rated design capacity:

a. The facility upgrade increase will be treated as a standard line extension if the Customer's demand exceeds 25 kVA, or if the facilities serve only that Customer;

b. The facility 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.

(Continued)

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RULE NO. 15 (Continued)

B. RESIDENTIAL EXTENSIONS (Continued)

5. Transformation Facilities (continued)

Upgrades and modifications to correct service quality issues such as flicker are done at the expense of the Customer causing the service quality issue.

6. Underground Extensions

The Company will construct line 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 F 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.

C. NONRESIDENTIAL EXTENSION

1. Extension Allowance - Delivery at Transmission Voltage

The Company will grant Customers taking service at 57,000 volts or above an Extension Allowance of the metering necessary to measure the Customer's usage. Other than the allowance, Customers taking delivery at transmission voltage are subject to the same line extension provisions as a Customer requiring more than 1000 kW who takes service at less than 57,000 volts.

2. Extension Allowance - Delivery at Secondary or Primary Voltage

a. 1,000 kW or less

The Company will grant Nonresidential Applicants requiring 1,000 kW or less 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. If the Customer is Remote they shall pay a Contract Minimum Bill for as long as service is taken, or until they no longer meet the criteria for Remote Service.

b. Over 1,000 kW

The Company will grant Nonresidential Applicants requiring more 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. 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 as long as 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.

c. Street Lighting

The Company will grant applicants for street lighting service under schedules LS-51 or LS-53 an Extension Allowance equal to five times the annual revenue from the lights to be added. The Applicant must advance costs exceeding the Extension Allowance prior to installation of the lights.

d. Additional Capacity

The Extension Allowance for Customers, where it is necessary for the Company to increase the capacity of their facilities to serve the Customer's additional load, is calculated on the increase in revenue estimated to occur as a result of the additional load.

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RULE NO. 15 (Continued)
LINE EXTENSIONS

C. NONRESIDENTIAL EXTENSION (Continued)

3. Additional Applicants, Advances and Refunds

a. Initial customer - 1,000 kW or less

A Customer that pays for a portion of the construction of an Extension may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first five years following construction of an Extension for up to three additional Applicants as given in section A.10. Refunds. Each of the next three Applicants, for which refunds are not waived, utilizing any portion of the initial Extension must pay the Company, prior to connection, 25% of the cost of the shared facilities for which a refundable advance was paid. The Company will refund such payments to the initial Customer.

b. Initial customer - over 1,000 kW

A Customer that pays for a portion of the construction of an Extension may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first five years following construction of an Extension for up to three additional Applicants as given in section A.10. Refunds. Each of the next three Applicants, for which refunds are not waived, utilizing any portion of the initial Extension must pay the Company, prior to connection, a proportionate share of the cost of the shared facilities for which a refundable advance was paid. The Company will refund such payments to the initial Customer.

$$\text{Proportionate Share} = (A + B) \times C$$

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]

c. Adjustment of Contract Minimum Billing

The Facilities Charges of Consumers that receive a refund are reduced by the Facilities Charge amount associated with the refund and are allocated to the Applicant paying the refund.

If the Company releases reserved capacity under Section C.4. Consumers may have the basis of their Facilities Charges reduced by the value of the released capacity.

4. Reduction in Contract Capacity or Demand

The Company is not obligated to reserve capacity in Company substations, or on Company lines, or maintain service facility capacity in place to serve a Customer in excess of the maximum recorded and billed Customer demand in the most recent 36 months, unless contract provisions providing for greater demand are less than 36 months old.

If there are contract provisions providing for additional incremental capacity in the future, the cost of which was included in the Customer's allowance or advance, the incremental capacity will be reserved or made available by the date given in the contract and kept available for a period of 36 months, after which the Company is no longer obligated to keep available the unused portion of that incremental capacity.

(Continued)

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RULE NO. 15 (Continued)
LINE EXTENSIONS

C. NONRESIDENTIAL EXTENSION (Continued)

5. Underground Extensions

The Company will construct Line 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 F 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. When the Extension is to property which is not part of an improved development, the Company may require the Applicant to pay for facilities on Applicant's property to provide for additional service reliability or for future development.

D. EXTENSIONS TO PLANNED DEVELOPMENTS

1. 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.

When an existing development is re-platted or changes configuration or use, the revised portion of the development shall be designed to meet current standards. For impacted lots that have had been built upon and have Customers who have been receiving service in excess of five years, the Applicant will be responsible for the costs of removal, and thereafter their request will be treated as a new construction request. Otherwise the request will be treated as a relocation.

2. 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. An Applicant, who contracts for service in conjunction with the Developer, may contract to use the excess of their allowance, if any, to help fund the primary voltage facilities necessary to serve them.

For residential developments the Company will provide the Developer an Extension Allowance of \$600 for each lot to which secondary voltage service is made available. The Developer must pay an advance for all other costs to make secondary voltage service available to each lot.

For multi-unit residential buildings the Company will provide a total Extension Allowance of \$1100 for each residence.

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

3. Refunds

The Company will make no refunds due to Applicants connecting within a development. A Developer that pays for a portion of the construction of an Extension may receive refunds when Applicants outside the development connect to the Extension to the development, or to a feeder extending alongside or through the development. The Developer is eligible for refunds during the first five years following construction of the Extension for up to three additional Applicants as given in section A.10. Refunds. Each of the next three Applicants outside the development, for which refunds are not waived, connecting to any portion of the Extension must pay the Company, prior to connection, 25% of the cost of the shared facilities for which a refundable advance was paid. The Company will refund such payments to the Developer.

(Continued)

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RULE NO. 15 (Continued)
LINE EXTENSIONS

D. EXTENSIONS TO PLANNED DEVELOPMENTS (Continued)

4. Underground Extensions

The Company will construct line 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 F of this Rule. The Developer must provide all trenching and backfilling, 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.

E. EXTENSION EXCEPTIONS

1. Applicant Built Line Extensions

a. General

An Applicant may contract with someone other than the Company to build a Line 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 existing 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.

b. Liability and Insurance

The Applicant assumes all risks for the construction of an Applicant Built Line 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 Line Extension.

c. 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 Line 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 Line Extensions, the Company may require that an inspector be present whenever installation work is done.

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

E. EXTENSIONS EXCEPTIONS (Continued)

1. Applicant Built Line Extensions (Continued)

d. Construction Standards

The applicant must construct the Line 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 Line Extension.

e. Transfer of Ownership

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

f. Rights-of-Way

The Applicant must provide to the Company all required rights-of-way, easements and permits in accordance with paragraph A.10 of this Rule.

g. Contract Minimum Billing

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph A.2 of this Rule.

h. Deficiencies in Construction

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

i. Line Extension Value

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

j. Line 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 Line Extension Value.

2. 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.

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RULE NO. 15 (Continued)

LINE EXTENSIONS

E. EXTENSION EXCEPTIONS (Continued)

3. 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.

4. 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 is 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 Contract Minimum Billing.

5. Temporary Service

For Temporary Service requests requiring only a service loop connection and where there are 120/240 volt facilities of adequate capacity available, the Applicant shall pay the Temporary Service charge specified in Schedule 300.

For all other Temporary Service requests the Applicant shall pay:

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

The Applicant is also responsible for electric service supplied under the appropriate rate schedule; any advances required for sharing previous Extensions; and, depending on the customer class, Contract Minimum Billings.

If a temporary Customer takes service continuously for 60 consecutive months from the date the Company first delivered service, the Company will classify them as permanent and refund any payment the Customer made over that required of a permanent Customer. The Company will not refund the Facilities Charges.

In response to the 2020 wildfires, the Company may waive the costs of Temporary Service to facilitate service restoration at an affected property and to make Temporary Service available for displaced residential customers at a temporary location. Provided, however, Applicant requests service no later than June 30, 2021. The Applicant remains responsible for electric service supplied under the appropriate rate schedule and any advances required for sharing previous Extensions.

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

E. EXTENSION EXCEPTIONS (Continued)

6. Applicant Design Option for New Installations

An Applicant may contract with someone other than the Company to design a Line Extension. The Applicant design option is available to Applicants for new service and is not available for replacement, reinforcement, relocation of existing systems, or where there is no Applicant for new Line Extension work. All Applicant designs shall be in accordance with the Company's design and construction standards. Under this option, the following applies:

- a. Applicant shall notify Company, in a manner acceptable to the Company.
- b. Applicant designs shall conform to all applicable federal, state and local codes and ordinances for utility installation design (such as, but not limited to the California Business and Professions Code).
- c. Company may require Applicant designers to meet the Company's prequalification requirements prior to participating in Applicant design.
- d. Applicant designers shall obtain Company design and construction standards and specifications prior to performing Applicant design. The Company may charge for any of these services.
- e. Company will perform 1 plan check on each Applicant design project at no expense to Applicant. Company will perform all subsequent plan checks at Applicant's expense.
- f. For designs performed by a non-Company designer, Company will credit Applicant with the amount of Company's design bid less any appropriate charges such as for plan checking, changes, or revisions.
- g. In the case of Applicant designed projects requiring an advance, Company will apply the design credit to the Applicant's advance.
- h. If no advance is required, Company will refund/reimburse the Applicant for the cost of design after the Distribution Line Extension is first ready to serve.
- i. Company shall perform all of its own project accounting and cost estimating.

(Continued)

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RULE NO. 15 (Continued)

LINE EXTENSIONS

F. RELOCATION OR REPLACEMENT OF FACILITIES

1. Relocation of Facilities

If requested by an Applicant or Customer, and adequate clearances can be maintained and adequate easements/rights-of-way can be obtained, the Company will: relocate distribution facilities; and/or, replace existing overhead distribution facilities with comparable underground (overhead to underground conversion, or conversion). If existing easements are insufficient for the new facilities, the Applicant or Customer is responsible for obtaining new easements. Substation facilities and transmission voltage facilities will be relocated at the discretion of the Company.

For overhead to underground conversions, see Rule No. 20.

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

- a. The estimated installed cost of the new facilities plus the estimated removal expense of the existing facilities, less
- b. 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.

G. CONTRACT ADMINISTRATION CREDIT

Customers may waive their right to receive refunds on a Line Extension advance. Customers who waive this right will receive a Contract Administration Credit up to the amount specified in Schedule 300. The Customer's choice to receive the Contract Administration Credit must be made at the time the Extension advance is paid.

H. PAYMENT ADJUSTMENTS

Contract Compliance: If, after 6 months following the date utility is first ready to serve residential loads for which allowances were granted, 1 year for non-residential loads, Applicant fails to take service, or fails to use the service contracted for, Applicant shall pay to utility an additional contribution or advance, based on the allowances for the revenue actually generated.

(Continued)

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