PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232

August 17, 2023

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

Re: Advice 23-016—Rule 13 Line Extensions

Pursuant to Oregon Revised Statute 757.205 and Oregon Administrative Rule (OAR) 860-022-0025, PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) submits for filing the following modified tariff pages relating to PacifiCorp's General Rules and Regulations Rule 13, Line Extensions. PacifiCorp respectfully requests an effective date of October 4, 2023.

Sheet	**Schedule/Rule**	**Title**
Third Revision of Sheet No. R13-2	Rule 13	Line Extensions
Sixth Revision of Sheet No. R13-6	Rule 13	Line Extensions
Fourth Revision of Sheet No. R13-7	Rule 13	Line Extensions
Fourth Revision of Sheet No. R13-8	Rule 13	Line Extensions
Fourth Revision of Sheet No. R13-9	Rule 13	Line Extensions
Third Revision of Sheet No. R13-10	Rule 13	Line Extensions
Third Revision of Sheet No. R13-11	Rule 13	Line Extensions
Fourth Revision of Sheet No. R13-12	Rule 13	Line Extensions

Introduction
This is an application to revise PacifiCorp's Oregon Rule 13 – Line Extensions to limit the Line Extension allowance provided to customers requiring more than 25,000 kilowatts (kW) to the cost of metering equipment necessary to measure the Customer's usage.

Purpose
PacifiCorp is increasingly receiving service requests from large customers, such as data center owners and developers, for tens to hundreds of megawatts of load. The load size of these customers makes them uniquely difficult to plan for, and singularly risky to serve. If a customer's load never fully ramps to their anticipated total capacity or if they only receive service for a short period of time, there is no reasonable assurance that a new customer will assume the significant unused capacity left behind by these very large customers. Under these circumstances, the current tariff structure leaves a risk for other customers to bear the cost burden of expensive infrastructure improvements in rates without any offsetting revenue from the very large customers the infrastructure improvements were constructed to serve.

To keep the large upfront capital investments necessary to serve these customers out of rates, the Company proposes to limit the Line Extension allowance provided to customers requiring more than 25,000 kW to the cost of metering equipment necessary to measure the Customer's usage. This action would limit the risk of rate increases and rate instability from Line Extension costs necessary to serve large new loads, while still providing large customers the flexibility to take service either as transmission or distribution delivery customers and to determine whether they would prefer to maintain and operate substations and other electric equipment.

The proposed limited Line Extension allowance for large (greater than 25,000 kW) load requests in this filing aligns with the limited allowance provided for transmission voltage (57 kilovolts and higher) load requests. A customer whose load is greater than 25,000 kW would typically require service from a dedicated substation. Standard practice is for such a customer to take service at transmission voltage and to own and operate the dedicated substation as the sole beneficiary of this equipment. Additionally, radial facilities required to interconnect transmission voltage customers to the existing transmission grid are, by function, considered high voltage distribution facilities, and the cost responsibility for these facilities is borne by the customer. These customers are then not eligible to receive the standard allowance for non-residential customers, as rates for transmission voltage customers do not include any cost recovery for distribution facilities other than metering equipment. When very large customers take transmission delivery, they are charged lower rates in exchange for paying upfront Line Extension costs and existing customers are prevented from subsidizing immense and unique investments to serve large new loads.

The Company maintains that limiting the Line Extension allowance provided to large customers is just, reasonable, and prudent to protect PacifiCorp customers. Limiting subsidies for Line Extension requests for loads in excess of 25,000 kW would protect all customers and the Company from the risk of making outsized investments to serve single customers.

Conclusion
For the reasons outlined in this filing, the Company is requesting to limit the Line Extension allowance provided to customers requiring more than 25,000 kW to the cost of metering equipment necessary to measure the Customer's usage.

If the Company's proposal is approved by the Commission, each Customer with an executed master electric service agreement (MESA) with the Company prior to the filing date of the new tariff would receive a Line Extension Allowance in accordance with the terms of the executed MESA. For Customers that received a written Line Extension Allowance estimate dated prior to August 17, the Company proposes to allow these Customers six months from the date of the written estimate to execute a MESA with the Company using the allowance calculated from the Customer's anticipated annual revenue in a year of normal operations under cost-based service, provided there are no material changes or updates to the Applicant's service request. Subsequent load requests would be subject to the provisions of the revised tariff.

An explanation of each proposed modification to the tariff language to effectuate the reduction to large customer allowances proposed in this filing is provided in the following pages.

Rule 13, Line Extensions

I(F). Line Extensions – Conditions and Definitions, Extension Allowance
The Company is recommending a change to this subsection to clarify that allowance for customers will depend on total load size in addition to customer classification. To this end, the italicized language below was added to amend the second sentence of this subsection as follows:

> The portion will vary with the class of service that the Applicant requests *and the Applicant's total load request,* and shall not exceed the Extension Cost.

Unifying all sections of the Line Extension Rule pertaining to customer allowance will reduce the risk of conflicting or incongruous information creating ambiguity in the tariff.

III(B)(2). Nonresidential Extensions, Extension Allowance – Delivery at Secondary or Primary Voltage

The Company is recommending several modifications to this subsection to limit the Line Extension allowance granted to customers requiring more than 25,000 kW. The first recommended modification is to III(B)(2) to limit customer provisions that were previously applicable to customers requiring more than 1,000 kW to only apply to customers requiring over 1,000 kW but less than 25,000 kW. The following language was added to the beginning of this subsection, italicized below:

> **(2) Over 1,000 kW *and less than 25,000 kW***
> The Company will grant Nonresidential Applicants requiring more than 1,000 kW *but less than 25,000 kW* an Extension Allowance equal to the estimated annual revenue which the Applicant is expected to pay the Company in a year of normal operations under cost-based service.

Following this change to the language of III(B)(2), the Company recommends adding a new subsection III(B)(3) to address provisions specific to customers requiring 25,000 kW or greater. The proposed new section would read as follows:

> **(3) *25,000 kW and Greater***
> *The Company will grant Nonresidential Applicants requiring 25,000 kW or more an Extension Allowance of the metering necessary to measure the Applicant's usage. Applicants who have been provided a written Line Extension Allowance estimate dated prior to August 17, 2023 shall be granted an Extension Allowance equal to the estimated annual revenue which the Applicant is expected to pay the Company in a year of normal operations under cost-based service, provided there are no material changes or updates to the Applicant's service request, and the Applicant enters into a written Line Extension agreement with the Company no later than six months following the date of the written estimate.*

> *Apart from the Extension Allowance, the Customer is subject to the same Extension provisions as a Customer with a load less than 25,000 kW.*

If this change is approved by the Commission, the subsection previously titled III(B)(4) addressing additional capacity would subsequently become subsection III(B)(5). The Company proposes adding the following sentence to the end of subsection III(B)(5) – formerly subsection III(B)(4):

> *The Extension Allowance for Additional Capacity is subject to the same provisions of new line extensions, according to Customer service voltage, total load size, and permanency.*

This is the final revision to the tariff recommended by the Company to effectuate the recommended change of limiting the Line Extension allowance provided to customers requiring more than 25,000 kW to the cost of metering equipment necessary to measure the Customer's usage.

It is respectfully requested that all data requests regarding this matter be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

All other inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Matthew McVee
Vice President, Regulatory Policy and Operations

Enclosure

I. Line Extensions - Conditions and Definitions (continued)

F. 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 the Applicant's total load request, and shall not exceed the Extension Costs. (N)

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 Consumers receiving electric service under special pricing contracts. Revenue used for calculating Extension Allowances will exclude charges and credits for Supply Service, ESS Charges and the Transition Adjustment.

G. 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.

H. 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.

I. 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.

J. Network Upgrades

Network Upgrades are modifications or additions to existing Company facilities required to serve load that is requested by an Applicant and are integrated with and support the Company's overall transmission and distribution network(s) for the general benefit of all users of such network(s). However requests to change the nature of an existing line, such as rebuilding from single-phase to three-phase, will be treated as Direct Assigned Facilities for cost allocation purposes. Other than on low-voltage secondary network systems (≤ 750 volts), distribution transformers and secondary cable are not network facilities and are treated as Direct Assigned Facilities for cost allocation purposes.

Network Upgrades of transmission facilities of 230 kV and above and utilized and defined as a transmission path, or facilities that are on the Western Electric Coordinating Council (WECC) critical path list, and associated substations, will be made at Company expense.

(continued)

II. Residential Extensions (continued)

F. Underground Extensions

The Company will construct Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant shall provide all trenching and back filling, 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. The Applicant must also pay for the conversion of any existing overhead facilities to underground, under the terms of Section VI of this Rule.

III. Nonresidential Extensions

A. Extension Allowance – Delivery at Transmission Voltage

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

B. Extension Allowance – Delivery at Secondary or Primary Voltage

1. 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 is expected to pay the Company in a year of normal operations under cost-based service. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

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

2. Over 1,000 kW and Less than 25,000 kW (N)

The Company will grant Nonresidential Applicants requiring more than 1,000 kW but less than 25,000 kW an Extension Allowance equal to the estimated (N) annual revenue which the Applicant is expected to pay the Company in a year of normal operations under cost-based service. 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 Applicant must pay a Contract Minimum Billing for as long as service is taken.

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

3. 25,000 kW and Greater (N)

The Company will grant Nonresidential Applicants requiring 25,000 kW or more an Extension Allowance of the metering necessary to measure the Applicant's usage. Applicants who have been provided a written Line Extension Allowance estimate dated prior to August 17, 2023 shall be granted an Extension Allowance equal to the estimated annual revenue which the Applicant is expected to pay the Company in a year of normal operations under cost-based (N)

(continued) (M) to pg. 7

III. Nonresidential Extensions (continued)

B. Extension Allowance – Delivery at Secondary or Primary Voltage (continued)

3. 25,000 kW and Greater (continued) (N)

service, provided there are no material changes or updates to the Applicant's service request, and the Applicant enters into a written Line Extension agreement with the Company no later than six months following the date of the written estimate.

Apart from the Extension Allowance, the Customer is subject to the same Extension provisions as a Customer with a load less than 25,000 kW. (N)

4. Nonresidential Transportation Electrification Charging (T)(M) from pg. 6

The Company will grant Nonresidential Applicants, for which 80% or greater of the estimated annual load of Applicant's facilities' will be dedicated to serving transportation charging infrastructure, two times the estimated annual revenue which the Applicant is expected to pay the Company in a year of normal operations under cost-based service. The Applicant must advance the costs exceeding the Extension Allowance. (M) from pg. 6

The Applicant must pay a Contract Minimum Billing for as long as service is taken.

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

5. Additional Capacity (T)

The Extension Allowance for Consumers, where it is necessary for the Company to increase the capacity of their facilities to serve the Consumer's additional load, is calculated on the increase in revenue estimated to occur as a result of the additional load. The Extension Allowance for Additional Capacity is (N) subject to the same provisions of new line extensions, according to Customer (N) service voltage, total load size, and permanency. (N)

C. Additional Applicants, Advances and Refunds – All Voltages

1. Initial Consumer - 1,000 kW or less

A Consumer that pays for a portion of the construction of an Extension may receive refunds if additional Applicants connect to the Extension. The Consumer is eligible for refunds during the first five (5) years following construction of an Extension for up to three (3) additional Applicants. 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. The Company will refund such payments to the initial Consumer.

2. Initial Consumer - 1,000 kW or greater

A Consumer that pays for a portion of the construction of an Extension may receive refunds if additional Applicants connect to the Extension. The Consumer is eligible for refunds during the first five (5) years following construction of an Extension for up to three (3) additional Applicants. 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. The Company will refund such payments to the initial Consumer. (M) to pg. 8

(continued)

III. Nonresidential Extensions (continued)

C. Additional Applicants, Advances and Refunds – All Voltages (continued)

2. Initial Consumer - 1,000 kW or greater (continued) (M) from pg. 7

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]

3. 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. (M) from pg. 7

After five years Consumers with ongoing Facilities Charges on Direct Assigned facilities, which subsequently are used to serve other consumers, may have their Facilities Charges adjusted based on their proportionate share of the extension costs. The Consumer's proportionate share is determined using the greater of their total contracted demand or two year historical peak demand for the "New additional connected load" in the proportional share formula above.

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

D. 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 Consumer in excess of the maximum recorded and billed Consumer 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 Consumer'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 long obligated to keep available the unused portion of that incremental capacity.

E. 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 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. 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.

F. Street Lighting

The Extension Allowance to streetlights taking service under Rate Schedules 51/751 or 53/753 or 54/754 is equal to five times the annual revenue from the lights to be

(M) to pg. 9

(continued)

III. Nonresidential Extensions (continued) (M) from pg. 8

F. Street Lighting (continued)

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. (M) from pg. 8

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 Consumers 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.

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. An Applicant, who contracts for service before or 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.
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.

C. Refunds

The Company will make no refunds due to Applicants connecting within a development. Except for Network Upgrades, a Developer 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, for which the Developer has paid an advance. The Developer is eligible for these refunds during the first five (5) years following construction of the Extension for up to three (3) additional Applicants. Each of the next three (3) Applicants, for which refunds are not waived, connecting to any portion of the refundable Extension, must pay the Company, prior to connection, 25% of the cost of the shared facilities. The Company will refund such payments to the Developer.

D. 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 VI of this Rule. The Developer must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company (M) to pg. 9

(continued)

IV. Extensions to Planned Developments (continued)

D. Underground Extensions (continued)

requires for the development. If the Developer requests, the Company will provide these items at the Developer's expense.

(M) from pg. 9

(M) from pg. 9

V. Extension Exceptions

A. Applicant Built Line Extensions

1. **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 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.

2. **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.

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 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.

4. **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.

5. **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.

6. **Rights-of-Way**
The Applicant must provide to the Company all required rights-of-way, easements and permits in accordance with paragraph 1. I. of this Rule.

7. **Contract Minimum Billing**
The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph 1. B. of this Rule.

(M) to pg. 11

(continued)

(M) from pg. 10

V. Extension Exceptions (continued)

A. Applicant Built Line Extensions (continued)

8. 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.

(M) from Pg. 10

9. 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.

10. 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.

B. Duplicate Service Facilities

The Company will furnish Duplicate Service Facilities if the Consumer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Consumer 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 Consumer advances the estimated cost of facilities above the cost of facilities which the Company would otherwise install. The Consumer 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 Consumers, the Company may modify the facilities and adjust the Contract Minimum Billing.

E. 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.

(M) to pg. 12

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V. Extension Exceptions (continued)

E. Temporary Service (continued)

If a temporary Consumer 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 Consumer made over that required of a permanent Consumer. The Company will not refund the Facilities Charges. (M) from pg. 11

(M) from pg. 11

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, the Applicant requests service no later than December 31, 2023. The Applicant remains responsible for electric service supplied under the appropriate rate schedule and any advances required for sharing previous Extensions.

VI. Relocation or Replacement of Facilities

A. Relocation of Facilities

If requested by an Applicant or Consumer, 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 is responsible for obtaining new easements. Substation facilities and transmission voltage facilities will be relocated at the discretion of the Company.

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

In addition, for both relocations and conversions, the Applicant 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.

B. Local Governments – Relocations

When Company facilities located in the franchise easement require relocating due to a public project, the relocation is done without charge to the local government Applicant.

C. Local Governments – Conversions

The conversion costs to a local government Applicant, as part of a public project which would necessitate the relocation of Company’s facilities, consist of: the costs of all necessary excavating, road crossings, trenching, backfilling, raceways, ducts, vaults, transformer pads, and other devices peculiar to underground service. If the conversion is not part of a public project necessitating relocation of Company’s facilities the overhead retirement costs are included in the conversion costs charged to the local government. The overhead retirement costs are: the original cost, less depreciation, less salvage value, plus removal costs of the existing overhead distribution facilities no longer used or useful by reason of the conversion.

(continued)