

LISA D. NORDSTROM Lead Counsel Inordstrom@idahopower.com

January 8, 2015

Public Utility Commission of Oregon 550 Capitol Street NE, Suite 215 P. O. Box 2148 Salem, OR 97308-2148

Re: Tariff Advice No. 15-01

Update to Charges and Credits under Rule H, New Service Attachments and

Distribution Line Installations or Alterations

Attention Filing Center:

Idaho Power Company ("Idaho Power" or "Company") hereby submits proposed cost updates to the charges and credits outlined in Rule H, New Service Attachments and Distribution Line Installations or Alterations. This advice filing is similar to the annual filing Idaho Power submitted January 27, 2014, and seeks to keep all charges and credits current with variations in actual costs. In addition to the annual update, the Company is seeking approval of a minor language modification that is needed in order to keep pace with the construction standards that its customers adhere to.

The following tariff sheets identify the proposed cost updates and language modifications:

Sixth Revised Sheet No. H-5	Cancelling	Fifth Revised Sheet No. H-5
Sixth Revised Sheet No. H-6	Cancelling	Fifth Revised Sheet No. H-6
Sixth Revised Sheet No. H-7	Cancelling	Fifth Revised Sheet No. H-7
Sixth Revised Sheet No. H-8	Cancelling	Fifth Revised Sheet No. H-8
Sixth Revised Sheet No. H-9	Cancelling	Fifth Revised Sheet No. H-9

The cost estimation methodology used to update the charges and credits is the same methodology the Company utilized in the prior year's filing.

A 5 percent increase in the overhead rate used to calculate the charges and credits coupled with moderate increases in material costs resulted in increases to the charges varying from 4 percent to 10 percent. The charges for Company-installed Underground Service Attachments experienced the largest increase, partially driven by a slight increase in the labor input used for the trenching component of the charge.

The proposed updates to Company-funded allowance amounts only changed slightly, with the allowance for a single-phase service decreasing by 4 percent and the allowance for the three-phase service increasing by 2 percent. The cost of transformers decreased for both single-phase and three-phase services.

All proposed cost updates are summarized in Attachment No. 1 of this advice filing. The charges are presented comparatively to the prior year's filing where the charges are broken out by materials, labor, and cost of Company vehicles/equipment.

Public Utility Commission of Oregon January 8, 2015 Page 2

As noted above, the Company is also seeking a minor language modification. This revision seeks to change the maximum allowed amperage ("amp") requirements in Sections 4.b.i. and 4.b.ii. of Rule H for certain applications. Section 4.b. addresses how customers are charged for requests to install Underground Service Attachments. The current requirement of Section 4.b.i. states that customers who have a 400 amp panel or smaller can qualify to have a service installed and be billed an established per foot charge because these installations do not require additional engineering time. Per Section 4.b.ii., all other Underground Service Attachments are charged "Work Order Cost".

The Company sought a change to its Idaho Public Utilities Commission-approved Rule H during September 2014 when it came to the Company's attention that certain installations within its Idaho service area which met all of the other requirements for the pre-established charge were precluded from the provision because of the amp size of the customer's panel. Specifically, developers of fourplex buildings are installing single-phase 500 amp self-contained multiple meter bases. The Company installs this service the same as it would for all other single-phase installations 400 amps or smaller, but the way Rule H was written in Idaho and is still written in Oregon mandates that these customers would be processed through Section 4.b.ii., ultimately requiring more time to process the application.

While the Company has not yet received any requests for this configuration in its Oregon service area, it believes requesting a change to the tariff now will ensure it can process the applications appropriately at the time such a request is received. This change would also ensure consistency in the treatment of customers who may operate in both the Company's Idaho and Oregon service areas.

The requested language modifications mirror what was approved in the Company's Idaho service area and seeks to update the amperage size so that all similarly-situated installations will be treated the same. In addition to updating the amperage, the Company has added the language "to a self-contained multiple meter base," to ensure that those installations that do require additional design and engineering time will still be processed through Section 4.b.ii.

The Company respectfully requests that the proposed updates are approved by February 24, 2015, and become effective March 15, 2015, in order to provide the Company an implementation period to update computer systems, prepare new communication materials, and train personnel.

If you have any questions regarding this tariff advice, please contact Connie Aschenbrenner at 208-388-5994 or caschenbrenner@idahopower.com.

Sincerely,

Lisa D. Nordstrom

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LDN:kkt Enclosures

cc w/enc: RA File Legal File

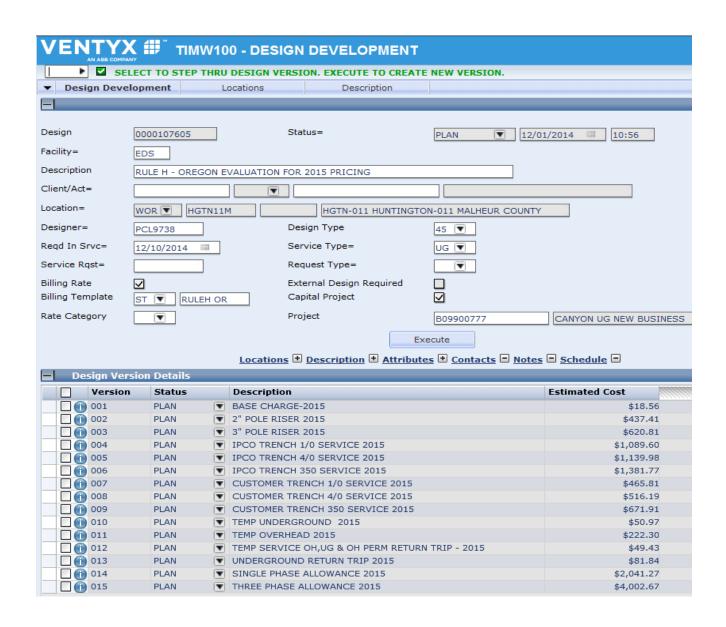
Rule H: New Service Attachments and Distribution Line Installations or Alterations 2015 Update Summary

	E	xisting	P	Proposed Differe		Differen	rence	
		2014		2015		\$	%	
Underground Service Attachment Charges								
(Rule H Section 4.b.i)								
Base Charge								
Underground	\$	18.00	\$	19.00	\$	1.00	69	
2" riser	\$	413.00	\$	437.00	\$	24.00	69	
3" riser	\$	585.00	\$	621.00	\$	36.00	69	
Distance Charge (per foot)								
Company Installed								
1/0	\$	8.23	\$	9.00	\$	0.77	99	
4/0	\$	8.63	\$	9.50	\$	0.87	109	
350	\$	10.79	\$	11.92	\$	1.13	109	
Customer Provided Trench & Conduit								
1/0	\$	2.64	\$	2.76	\$	0.12	59	
4/0	\$	3.05	\$	3.26	\$	0.21	79	
350	\$	4.45	\$	4.82	\$	0.37	89	
Other Charges								
(Rule H Section 6)								
Engineering Charge	\$	63.00	\$	67.00	\$	4.00	69	
Overhead Service Attachment Charge for Non-Residence	\$	205.00	\$	222.00	\$	17.00	89	
Temporary Service Attachment Charge								
Underground	\$	48.00	\$	51.00	\$	3.00	69	
Overhead	\$	205.00	\$	222.00	\$	17.00	89	
Temporary Service (Overhead or Underground) and								
Overhead Permanent Return Trip Charge	\$	47.00	\$	49.00	\$	2.00	49	
Underground Service Return Trip Charge	\$	77.00	\$	82.00	\$	5.00	69	
Line Installation and Service Attachment Allowances								
(Rule H Section 7.a)								
Residential								
Schedule 1	\$ 2	,130.00	\$	2,041.00	\$	(89.00)	-49	
Non-residential								
Schedules 7, 9, 24								
Single Phase	\$ 2	,130.00	\$	2,041.00	\$	(89.00)	-49	
Three Phase	\$3	3,922.00	\$	4,003.00	\$	81.00	29	
General Overheads		10.75%	+	15.75%	+	5%		

<u>Oregon</u>

Rule H: New Service Attachments and Distribution Line Installations or Alterations 2015 Update to Charges and Credits

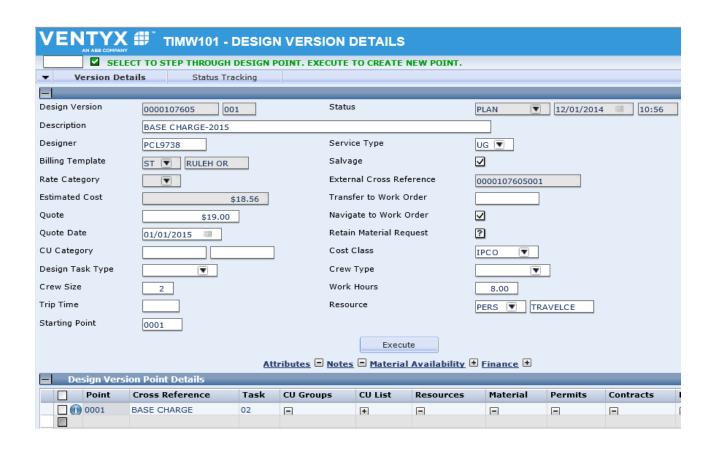
All costs were calculated using the Company's Asset Suite inventory and cost program. Design number 107605 was used to provide a single design number for consistency and accuracy. A summary of all costs is shown below.



Rule H: Section 4.b.i. Service Attachment Charges

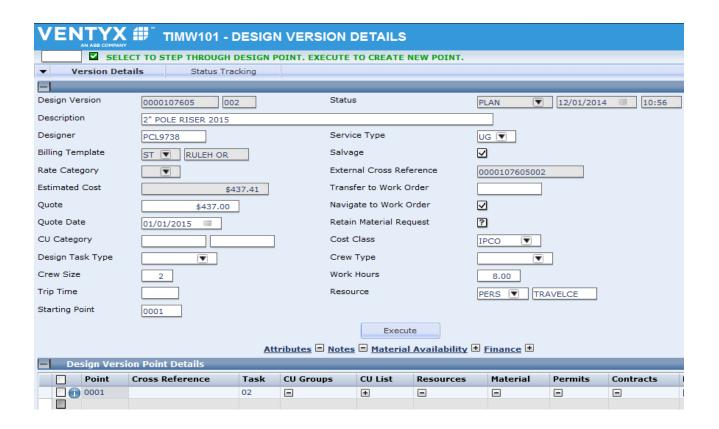
Underground Service Attachment Charge – Base Charge From Underground:

Company Vehicles -	\$ 4.06
Labor cost -	12.96
Material cost - Cable tag & tie	 1.54
Total	\$ 18.56
Proposed Update -	\$ 19.00



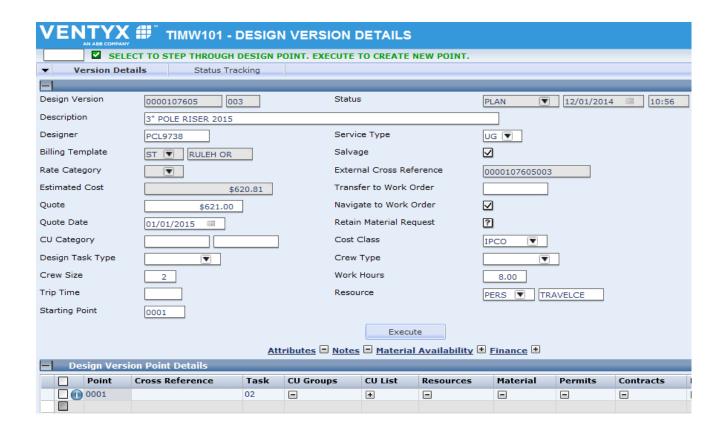
Underground Service Attachment Charge – Base Charge From Overhead 2" Riser:

Company Vehicles - Labor cost -		\$ 47.82 149.09
	2" PVC conduit, 2" metal conduit 30 feet of 1/0 triplex cable for service	113.03
	Nuts, bolts, brackets and washers	240.50
Total		\$ 437.41
Proposed Upd	ate -	\$ 437.00



Underground Service Attachment Charge – Base Charge From Overhead 3" Riser

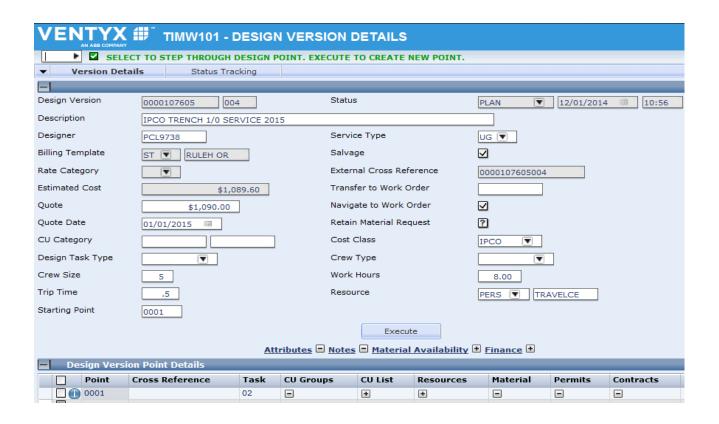
Company Vehicles - Labor cost - Material cost - 3" PVC conduit, 3" metal conduit		\$ 57.94 181.50
	30 feet of 4/0 triplex cable for service Nuts, bolts, brackets and washers	381.37
Total		\$ 620.81
Proposed Upd	ate -	\$ 621.00



Underground Service Attachment Charge – Distance Charge Company Installed, 100 feet of 1/0 underground cable:

(5 Man crew & 0.5 hours of travel time)

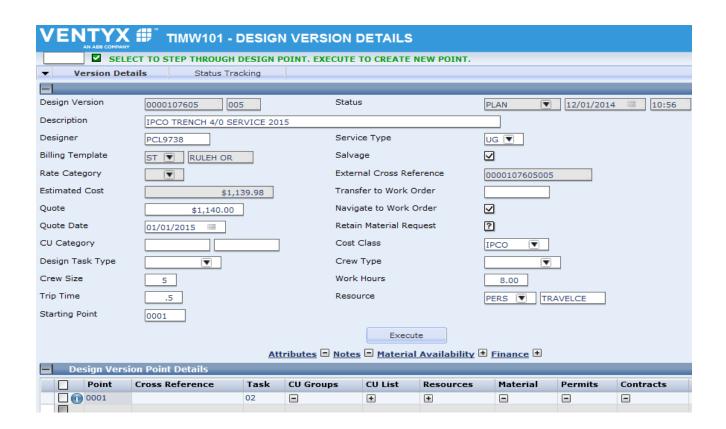
Company Vehi Labor cost -	cles -	\$ 268.94 635.23
	Service trench & backfill 30" depth (100 feet) Service cable 1/0 (100 feet) 2" conduit (100 feet) 2" conduit 90 degree bend	033.23
Sub Total	2" conduit bell end	\$ 185.43 1,089.60
Minus the cost	of a 100 foot #2 triplex overhead service	\$ (189.89)
Total		\$ 899.71
Proposed Upo	late -	\$ 9.00 /ft



Underground Service Attachment Charge – Distance Charge Company Installed, 100 feet of 4/0 underground cable:

(5 Man crew & 0.5 hours of travel time)

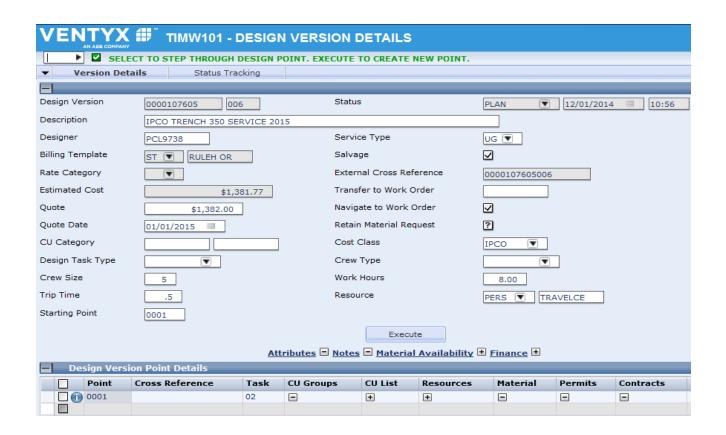
Company Vehi Labor cost - Material cost -	Service trench & backfill 30" depth (100 feet) Service cable 4/0 (100 feet) 2" conduit (100 feet) 2" conduit 90 degree bend	\$	268.94 635.23
Sub Total	2" conduit bell end	<u> </u>	235.81 1,139.98
	of a 100 foot #2 triplex overhead service	\$	(189.89)
Total		\$	950.09
Proposed Upo	late -	\$	9.50 /ft



Underground Service Attachment Charge – Distance Charge Company Installed, 100 feet of 350 underground cable:

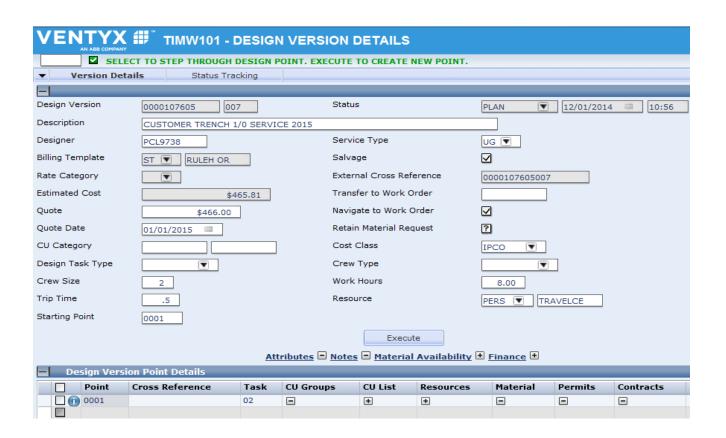
(5 Man crew & 0.5 hours of travel time)

Company Vehi	cles -	\$	281.08 674.13
Material cost -	Service trench & backfill 30" depth (100 feet) Service cable 350 (100 feet) 3" conduit (100 feet) 3" conduit 90 degree bend		07 1.13
Sub Total	3" conduit bell end	\$ 1	426.56 .,381.77
Minus the cost	of a 100 foot #2 triplex overhead service	\$	(189.89)
Total		\$ 1	.,191.88
Proposed Upo	late -	\$	11.92 /ft



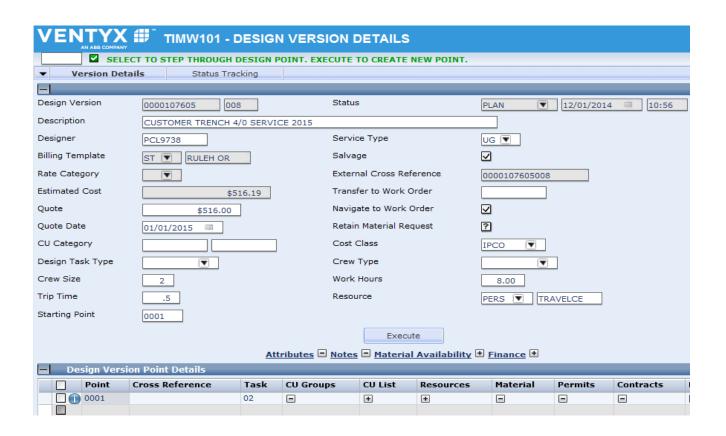
Underground Service Attachment Charge – Distance Charge Customer provided trench & conduit, 100 feet of 1/0 underground cable: (2 persons & 0.5 hours of travel time)

Proposed Update -	\$	2.76 /ft
Total	\$	275.92
Minus the cost of a 100 foot #2 triplex overhead service		(189.89)
Labor cost - Material cost - Service cable 1/0 (100 feet) Sub Total	\$	288.45 102.40 465.81
Company Vehicles -	\$	74.96



Underground Service Attachment Charge – Distance Charge Customer provided trench & conduit, 100 feet of 4/0 underground cable: (2 persons & 0.5 hours of travel time)

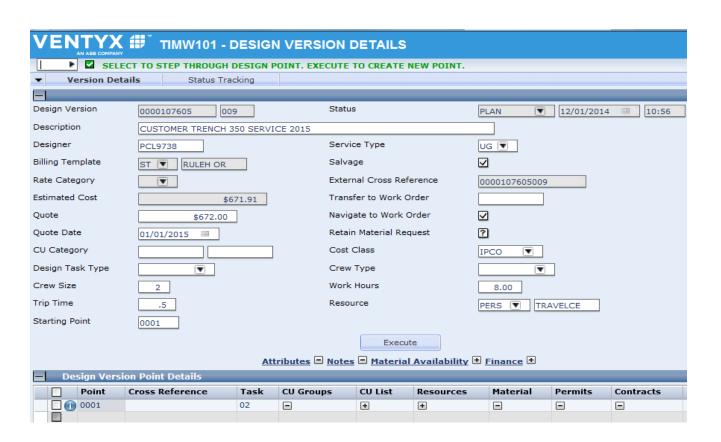
Proposed Update -	\$	3.26 /ft
Total	\$	326.30
Minus the cost of a 100 foot #2 triplex overhead service		(189.89)
Sub Total	\$	516.19
Company Vehicles - Labor cost - Material cost - Service cable 4/0 (100 feet)		74.96 288.45 152.78



Underground Service Attachment Charge – Distance Charge Customer provided trench & conduit, 100 feet of 350 underground cable:

(2 persons & 0.5 hours of travel time)

Proposed Update -	\$	4.82 /ft
Total	\$	482.02
Minus the cost of a 100 foot #2 triplex overhead service	\$	(189.89)
Sub Total	\$	671.91
Material cost - Service cable 350 (100 feet)		257.46
Labor cost -		327.35
Company Vehicles -		87.10



Rule H: Section 6 Other Charges

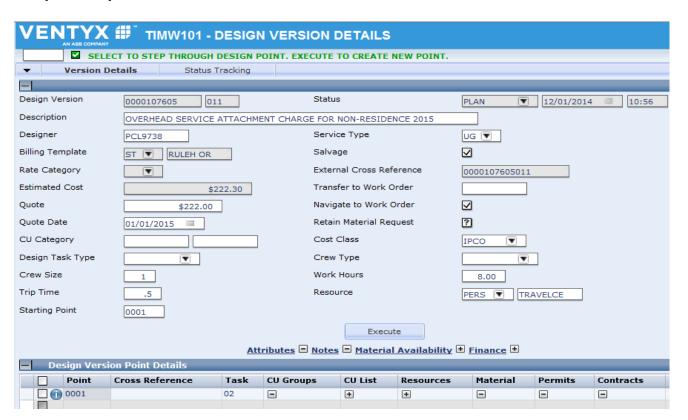
b. Engineering Charge

Proposed Update -	\$ 67.00	/hour
Total	\$ 66.58	/hour
General Overhead (15.75%, effective February 2014)	 6.59	/hour
Benefits (43.49%, 2014 actual)	18.18	/hour
Senior Distribution Designer (2014 wage schedule)	\$ 41.81	/hour

d. Overhead Service Attachment Charge for Non-Residence

Company Vehic	cles -	\$ 20.26
Labor cost -		97.23
Material cost -	100 ft #2 triplex, wedge clamps, nuts, bolts	 104.81
Total		\$ 222.30

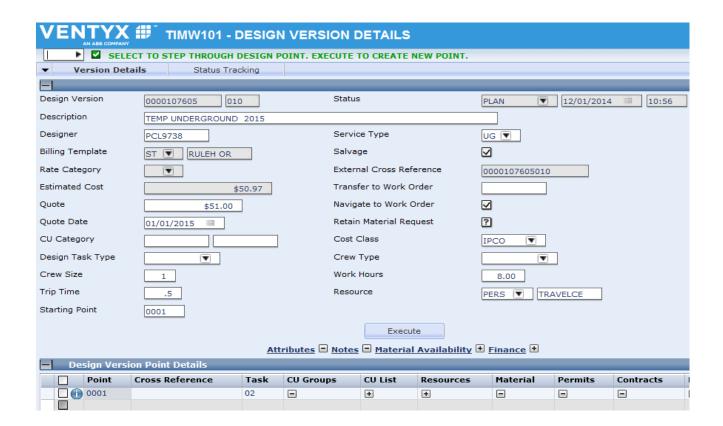
Proposed Update - \$ 222.00



g. Temporary Service Attachment Charge

i. Underground

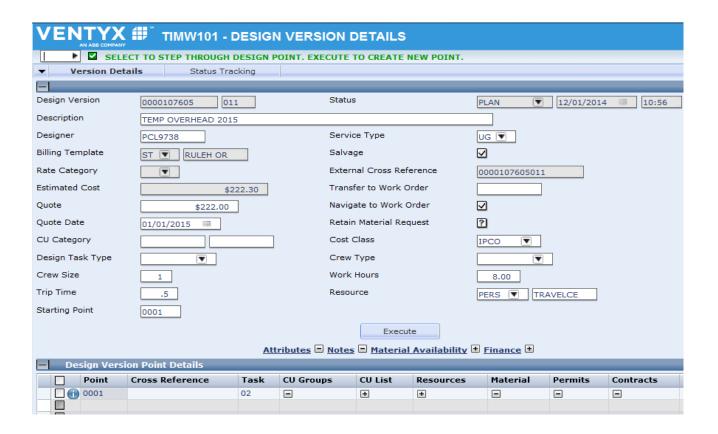
Proposed	d Update -	\$ 51.00
Total		\$ 50.97
	Material cost - Cable tag & tie	 1.54
	Labor cost -	45.37
	Company Vehicles -	\$ 4.06



g. Temporary Service Attachment Charge

ii. Overhead

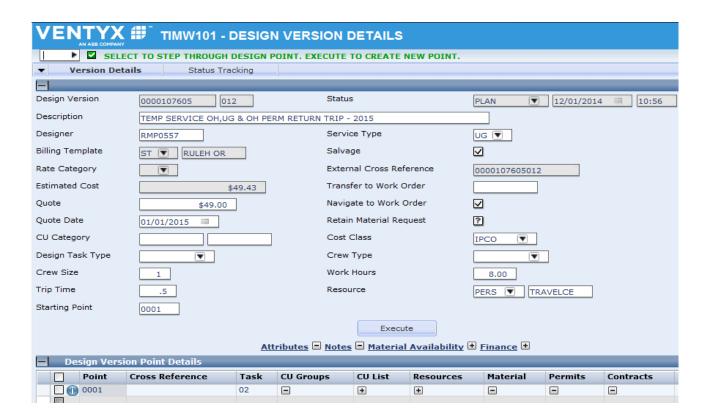
Proposed Up	odate -	\$ 222.00
Total		\$ 222.30
	Material cost - 100 ft #2 triplex, wedge clamps, nuts, bolts	 104.81
	Labor cost -	97.23
	Company Vehicles -	\$ 20.26



h. <u>Temporary Service (Overhead or Underground) and Overhead Permanent</u> <u>Return Trip Charge</u>

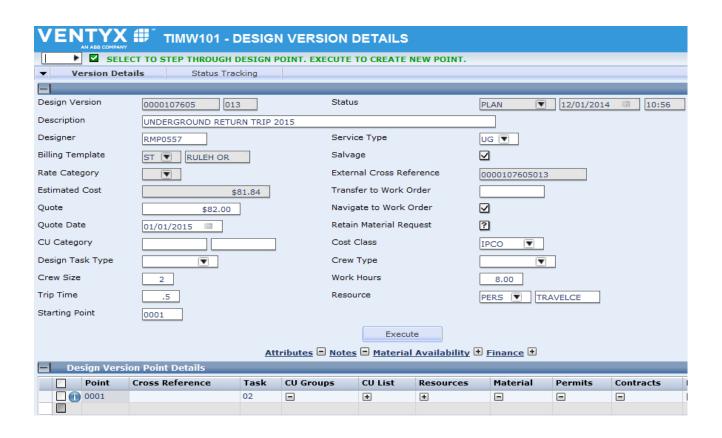
Company Vehicles - \$ 4.06
Labor cost - 45.37

Total \$ 49.43



j. Underground Service Return Trip Charge

Proposed Update -	\$ 82.00
Total	\$ 81.84
Labor cost -	 77.78
Company Vehicles -	\$ 4.06

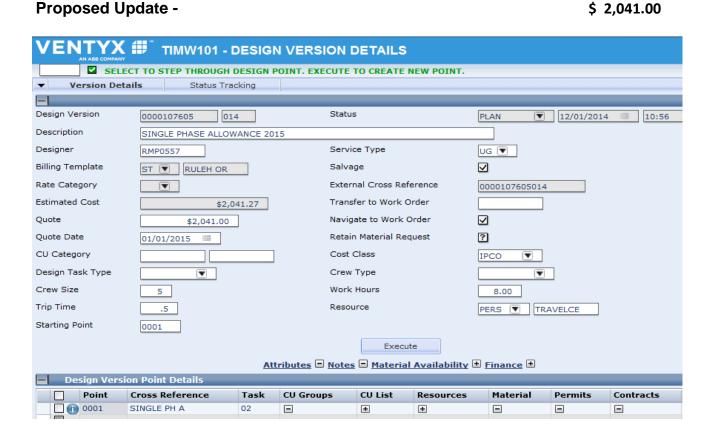


Rule H: Section 7 Line Installation and Service Attachment Allowances

Allowances are based on the cost of providing and installing Standard Terminal Facilities for single phase and three phase services.

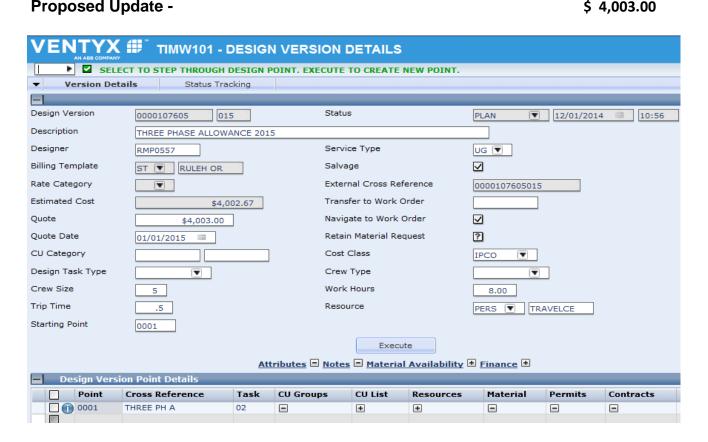
Single Phase Allowance:

Single Phase	: Allowance:			
Company Vehicles -		\$	116.	80
Labor cost -			535.	75
Material cost -	Wedge stirrup hot tap 31.0	02		
Material Cost -				
	Switch arm 44.0	J4		
	Switch 94.6	50		
	25 kVA transformer 1,029.	78		
	Transformer bussing 39.3	78		
	Service wire - 125 feet 122.	74		
	Ground rod 26.	76		
Total materials		<u>\$</u>	1,388.	72
Total		\$	2,041.	27



Three Phase Allowance:

Company Vehicles - Labor cost -			328.60 1,375.54
Material cost -	Wedge stirrup hot tap (3))4	
	Switch arm 159.5	59	
	Switch (3) 230.8	31	
	Transformer mount 276.	52	
	15 kVA transformer (3) 1,278.0)1	
	Transformer bussing 83.0)1	
	Service wire - 125 feet 150.7	79	
	Ground rod 26.	76	
Total materials		\$	2,298.53
Total		\$	4,002.67
Proposed Undate -		Ġ	4 003 00



RULE H NEW SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR ALTERATIONS (Continued)

2. <u>General Provisions</u> (Continued)

I. <u>Customer Provided Trench Digging and Backfill</u>. The Company will at its discretion allow an Applicant, Additional Applicant or subdivider to provide trench digging and backfill. The Customer will sign a Memorandum of Agreement, detailing the work to be performed by the Customer and the specifications that must be met prior to the start of construction. The Applicant shall be responsible for the current and reasonable future costs associated with the Line Installation's conduit system, which may include, but is not limited to, the costs of trenching, boring, excavating, backfilling, ducts, raceways, road crossings, paving, vaults, transformer pads, and any required permits. The Company shall own and maintain the conduit system once Company conductors have been installed. In a joint trench, backfill must be provided by the Company. Costs of customer provided trench and backfill will be removed from or not included in the Cost Quote and will not be subject to refund.

3. <u>Line Installation Charges</u>

If a Line Installation is required, the Applicant or Additional Applicant will pay a partially refundable Line Installation Charge equal to the Work Order Cost less applicable Line Installation Allowances identified in Section 7.

Service Attachment Charges.

- a. <u>Overhead Service Attachment Charge</u>. If an overhead Service Attachment is required, the Applicant or Additional Applicant will pay a non-refundable Service Attachment Charge equal to the Work Order Cost less applicable Service Attachment allowances identified in Section 7.
- b. <u>Underground Service Attachment Charge</u>. Each Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge for attaching new Terminal Facilities to the Company's distribution system. The Company will determine the location and maximum length of service cable.

i.	Single Phase 400 Amps or Less and Single Phase Self-Contain 500 Amps or Less	ned Multiple Meter Bases	(C) (C)
	Underground Service Cable (Base charge plus Distance charge)		
	Base charge from:		
	underground	\$ 19.00	(I)
	overhead including 2" riser	\$437.00	(I)
	overhead including 3" riser	\$621.00	(I)
	Distance charge (per foot)		
	Company Installed Facilities with:		
	1/0 underground cable	\$ 9.00	(I)
	4/0 underground cable	\$ 9.50	` ,
	350 underground cable	\$ 11.92	(I)
	Customer Provided Trench & Conduit with:		
	1/0 underground cable	\$ 2.76	(I)
	4/0 underground cable	\$ 3.26	(I)
	350 underground cable	\$ 4.82	(I)
	300 underground dable	Ψ -1.02	(.)

Issued by IDAHO POWER COMPANY By Gregory W. Said, Vice President, Regulatory Affairs 1221 West Idaho Street, Boise, Idaho

Advice No. 15-01

OREGON Issued: January 8, 2015 Effective with Service Rendered on and after: March 15, 2015

RULE H NEW SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR ALTERATIONS (Continued)

- 4. <u>Service Attachment Charges</u> (Continued)
 - b. Underground Service Attachment Charge (Continued)
 - ii. All Three Phase, Single Phase Greater Than 400 Amps, and Single Phase Self-Contained Multiple Meter Bases Greater Than 500 Amps. If a three phase, single phase greater than 400 amp, or single phase self-contained multiple meter base greater than 500 amp underground Service Attachment is required, the Applicant or Additional Applicant will pay a non-refundable Underground Service Attachment Charge equal to the Work Order Cost.

5. <u>Vested Interest Charges</u>.

Additional Applicants connecting to a vested portion of a Line Installation will pay a Vested Interest Charge to be refunded to the Vested Interest Holder. Additional Applicants will have two payment options:

Option One - An Additional Applicant may choose to pay an amount determined by this equation:

Vested Interest Charge = A x B x C where;

- A = Load Ratio: Additional Applicant's Connected Load divided by the sum of Additional Applicant's Connected Load and Vested Interest Holder's load.
- B = Distance Ratio: Additional Applicant's distance divided by original distance.
- C = Vested Interest Holder's unrefunded contribution.

Option Two. An Additional Applicant may choose to pay the current Vested Interest, in which case the Additional Applicant will become the Vested Interest Holder and, as such, will become eligible to receive Vested Interest Refunds in accordance with Section 8.a.

If Option One is selected, the Additional Applicant has no Vested Interest and the previous Vested Interest Holder remains the Vested Interest Holder. The Vested Interest Holder's Vested Interest will be reduced by the newest Additional Applicant's payment.

The Vested Interest Charge will not exceed the sum of the Vested Interests in the Line Installation. If an Additional Applicant connects to a portion of a vested Line Installation which was established under a prior rule or schedule, the Vested Interest Charges of the previous rule or schedule apply to the Additional Applicant.

6. Other Charges

Advice No. 15-01

- a. <u>Alteration Charges</u>. If an Applicant or Additional Applicant requests a Relocation, Upgrade, Conversion or removal of Company facilities, the Applicant or Additional Applicant will pay a non-refundable charge equal to the Cost Quote.
- b. <u>Engineering Charge</u>. Applicants or Additional Applicants will be required to prepay all engineering costs for Line Installations, and/or. Alterations greater than 16 estimated hours. Estimates equal to or less than 16 hours will be billed to the Applicant or Additional Applicant as part of the construction costs, or after the engineering is completed in instances where construction is not requested. Engineering charges will be calculated at \$67.00 per hour.

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Issued by IDAHO POWER COMPANY By Gregory W. Said, Vice President, Regulatory Affairs 1221 West Idaho Street, Boise, Idaho OREGON Issued: January 8, 2015 Effective with Service Rendered on and after: March 15, 2015

SIXTH REVISED SHEET NO. H-7 CANCELS FIFTH REVISED SHEET NO. H-7

RULE H NEW SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR ALTERATIONS (Continued)

6. Other Charges (Continued)

- c. Joint Trench Charge. Applicants, Additional Applicants, and subdividers will pay the Company for trench and backfill costs included in the Cost Quote. In the event the Company is able to defray any of the trench and backfill costs by sharing a trench with other utilities, the cost reduction will be included in the Cost Quote.
- d. Overhead Service Attachment Charge for Non-Residence. Applicants or Additional Applicants requesting service to a residential property (Schedule 1) for purposes other than serving a Residence will pay a service connection charge of \$222.00. This charge only applies to nonresidences (shop, garage, etc) where there is an existing overhead transformer within 100' of the non-residence structure.
- e. Rights-of-Way and Easement Charge. Applicants or Additional Applicants will be responsible for any costs associated with the acquisition of rights-of-way or easements.
- Temporary Line Installation Charge. Applicants or Additional Applicants will pay the installation f. and removal costs of providing Temporary Line Installations.
- Temporary Service Attachment Charge. Applicants or Additional Applicants will pay for g. Temporary Service Attachments as follows:
 - i. Underground - \$51.00

(I)

(I)

The Customer-provided pole must be set within two linear feet of the Company's existing transformer or junction box.

ii. Overhead - \$222.00 (I)

The Customer-provided pole shall be set in a location that does not require more than 100 feet of #2 aluminum service conductor that can be readily attached to the permanent location by merely relocating it.

The electrical facilities provided by the Customer on the pole shall be properly grounded, electrically safe, meet all clearance requirements, and be ready for connection to Company facilities.

The Customer shall obtain all permits required by the applicable state, county, or municipal governments and will provide copies or verification to the Company as required. The above conditions must be satisfied before the service will be attached.

Temporary Service (Overhead or Underground) and Overhead Permanent Return Trip Charge. A h. Return Trip Charge of \$49.00 will be assessed each time Company personnel are dispatched to (I) the job site at the customer's request, but are unable to connect the service due to action or inaction on the Customer's part. The charge will be billed after the conditions have been satisfied and the connection has been made.

RULE H NEW SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR ALTERATIONS (Continued)

6. Other Charges (Continued)

Unusual Conditions Charge. Applicants, Additional Applicants, and subdividers will pay the i. Company the additional costs associated with any Unusual Conditions included in the Cost Quote. This payment, or portion thereof, will be refunded to the extent that the Unusual Conditions are not encountered.

In the event that the estimate of the Unusual Conditions included in the Cost Quote is equal to or greater than \$10,000, the Applicant, Additional Applicant or subdivider may either pay for the Unusual Conditions or may furnish an Irrevocable Letter of Credit drawn on a local bank or local branch office issued in the name of Idaho Power Company for the amount of the Unusual Conditions. Upon completion of that portion of the project which included an Unusual Conditions estimate, Idaho Power Company will bill the Applicant, Additional Applicant or subdivider for the amount of Unusual Conditions encountered up to the amount established in the Irrevocable Letter of Credit. The Applicant, Additional Applicant or subdivider will have 15 days from the issuance of the Unusual Conditions billing to make payment. If the Applicant, Additional Applicant or subdivider fails to pay the Unusual Conditions bill within 15 days, Idaho Power will request payment from the bank.

Underground Service Return Trip Charge. When a residential Customer agrees to supply the j. trench, backfill, conduit, and compaction for an underground service, a Return Trip Charge of \$82.00 will be assessed each time the Company's installation crew is dispatched to the job site at the Customer's request, but is unable to complete the cable installation and energize the service due to action or inaction on the Customer's part.

7. Line Installation and Service Attachment Allowances

Class of Service

The Company will contribute an allowance toward the cost of the Terminal Facilities necessary for Line Installations and/or Service Attachments. Allowances are based on the cost of providing and installing Standard Terminal Facilities for single phase and three phase services.

a. Allowances for Overhead and Underground Line Installations and Overhead Service Attachments

Residential: Schedules 1 Non-residence	\$2,041.00 Cost of new meter only	(R)
Non-residential:		
Schedules 7, 9, 24		
Single Phase	\$2,041.00	(R)
Three Phase	\$4,003.00	(I)

Maximum Allowance per Service

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RULE H NEW SERVICE ATTACHMENTS AND DISTRIBUTION LINE INSTALLATIONS OR ALTERATIONS (Continued)

- 7. Line Installations and Service Attachment Allowances (Continued)
 - b. <u>Allowances for Subdivisions and Multiple Occupancy Projects</u>. Developers of Subdivisions and Multiple Occupancy Projects will receive a \$2,041.00 allowance for each single phase transformer installed within a development and a \$4,003.00 allowance for each three phase transformer installed within a development. Subdividers will be eligible to receive allowances for Line Installations inside residential and non-residential subdivisions.

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8. Refunds

a. <u>Vested Interest Refunds</u>. Vested Interest Refunds will be paid by the Company and funded by the Additional Applicant's Vested Interest Charge as calculated in accordance with Section 5. The initial Applicant will be eligible to receive refunds up to 80 percent of their original construction cost. Additional Applicants that become Vested Interest Holders will be eligible to receive refunds up to their total contribution less 20 percent of the original construction cost.

A Vested Interest Holder and the Company may agree to waive the Vested Interest payment requirements of Additional Applicants with loads less than an agreed upon level. Waived Additional Applicants will not be considered Additional Applicants for purposes of Section 8.a.i.a) below.

- i. Vested Interest Refund Limitations
 - a) Vested Interest Refunds will be funded by no more than 4 Additional Applicants during the 5-year period following the completion date of the Line Installation for the initial Applicant.
 - b) In no circumstance will refunds exceed 100 percent of the refundable portion of any party's cash payment to the Company.

b. Subdivision Refunds

- i. Applicants will be eligible for Vested Interest Refunds for facilities installed inside Subdivisions if the construction was NOT part of the initial Line Installation. Customers requesting additional Line Installations within a Subdivision will be considered new Applicants and become eligible for Vested Interest Refunds.
- ii. A subdivider will be eligible for Vested Interest Refunds for payments for Line Installations outside the subdivision.