

LISA D. NORDSTROM Lead Counsel Inordstrom@idahopower.com

February 9, 2018

Public Utility Commission of Oregon Filing Center 201 High Street SE, Suite 100 P.O. Box 1088 Salem, Oregon 97301

Re: Tariff Advice No. 18-01

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

Distribution Line Installations or Alterations

Attention Filing Center:

Pursuant to Oregon Revised Statute § 757.205, 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 on January 27, 2017, and seeks to keep all charges and credits current with variations in actual costs.

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

Ninth Revised Sheet No. H-5	Cancelling	Eighth Revised Sheet No. H-5
Eighth Revised Sheet No. H-6	Cancelling	Seventh Revised Sheet No. H-6
Ninth Revised Sheet No. H-7	Cancelling	Eighth Revised Sheet No. H-7
Ninth Revised Sheet No. H-8	Cancelling	Eighth Revised Sheet No. H-8
Ninth Revised Sheet No. H-9	Cancelling	Eighth 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.

All proposed cost updates are summarized in the attachment to 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.

Overall, the proposed Rule H charges increased, primarily driven by increases in labor, vehicle, and material costs. The general overhead rate did not change and remains 15.00 percent. The Single Phase and Three Phase allowances provided to customers as an offset to their upfront cost responsibility also increased by 4 percent and 11 percent, respectively.

More details on the primary drivers of the changes are provided below:

Material Costs

Overall, the cost of material has increased. The cost of the 1/0, 4/0, and 350 conductor increased by approximately 8 percent due to the increasing price of commodities (aluminum and copper) while the majority of the other material costs also increased slightly.

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Labor Costs

The construction labor rate increased from \$62.00 to \$64.00, which contributed to increases in the charges. Additionally, the Engineering Charge increased by approximately 3 percent, driven by the change in the labor rate for the Company's Distribution Designers used to calculate the charge. The proposed Engineering Charge increased from \$71.00 to \$73.00 per hour.

Vehicle Costs

A line truck and bucket truck are the primary vehicles utilized to perform Rule H type work and the rate for both vehicles increased from \$44.00 to \$49.70. The hourly cost of the vehicles increased due to a slight increase in the total operating expenses coupled with a decrease in usage of these vehicle types. Because the vehicle costs constitute approximately 13 percent of the total costs associated with the Rule H charges, the increased vehicle rate results in a slight increase to the charges.

Single Phase and Three Phase Allowances

The allowances are provided as a credit to offset a portion of the upfront cost of distribution line installation paid for by customers pursuant to Rule H. The proposed updates to Company-funded allowance amounts increased for both the Single Phase and Three Phase allowances, primarily driven by the increased cost of transformers, labor, and vehicle costs. The Single Phase allowance is increasing from \$2,156 to \$2,243, or 4 percent. The Three Phase allowance increased from \$4,835 to \$5,345, or 11 percent.

Idaho Power respectfully requests that the proposed updates are approved by March 14, 2018, and become effective March 15, 2018.

If you have any questions regarding this tariff advice, please contact Regulatory Analyst Zach Harris at 388-2305 or zharris@idahopower.com.

Sincerely,

Lisa D. Nordstrom

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LDN:kkt Enclosures

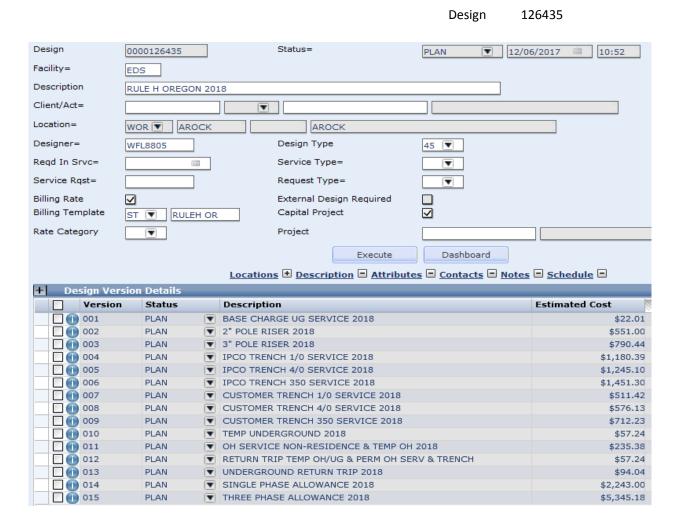
Oregon Summary of Changes

	Exi	sting 2017	Proposed 2018					
Hadayayayad Camiisa Attachusant Chayasa						\$	<u>%</u>	
Underground Service Attachment Charges (Rule H Section 4.b.i)								
Base Charge								
Underground	\$	21.00	\$	22.00	\$	1.00	5%	
2" riser	\$	528.00	\$	551.00	\$	23.00	4%	
3" riser	\$	755.00	\$	790.00	\$	35.00	5%	
<u>Distance Charge (per foot)</u>								
Company Installed								
1/0	\$	9.42	\$	9.82	\$	0.40	4%	
4/0	\$	10.01	\$	10.47	\$	0.46	5%	
350	\$	11.97	۶ \$	12.53	۶ \$	0.46	5% 5%	
Customer Provided Trench & Conduit	Y	11.57	Y	12.55	Y	0.50	370	
1/0	\$	2.90	\$	3.13	\$	0.23	8%	
4/0	\$	3.50	\$	3.78	\$	0.28	8%	
350	\$	4.74	\$	5.14	\$	0.40	8%	
Other Charges								
(Rule H Section 6)								
Engineering Charge	\$	71.00	\$	73.00	\$	2.00	3%	
Overhead Service Attachment Charge for Non-Residence	\$	225.00	\$	235.00	\$	10.00	4%	
Temporary Service Attachment Charge								
Underground	\$	55.00	\$	57.00	\$	2.00	4%	
Overhead	\$	225.00	\$	235.00	\$	10.00	4%	
Temporary Service (Overhead or Underground),								
Overhead Permanent, and Customer Provided								
Trench Inspection Return Trip Charge	\$	55.00	\$	57.00	\$	2.00	4%	
Underground Service Return Trip Charge	\$	91.00	\$	94.00	\$	3.00	3%	
Line Installation and Service Attachment Allowances								
(Rule H Section 7.a)								
Residential								
Schedule 1	\$	2,156.00	\$	2,243.00	\$	87.00	4%	
Schedules 7, 9, 24								
Single Phase	\$	2,156.00	\$	2,243.00	\$	87.00	4%	
Three Phase	\$	4,835.00	\$	5,345.00	\$	510.00	11%	
General Overheads		15.00%		15.00%				

Oregon

Rule H: New Service Attachments and Distribution Line Installations or Alterations 2018 Update to Charges and Credits

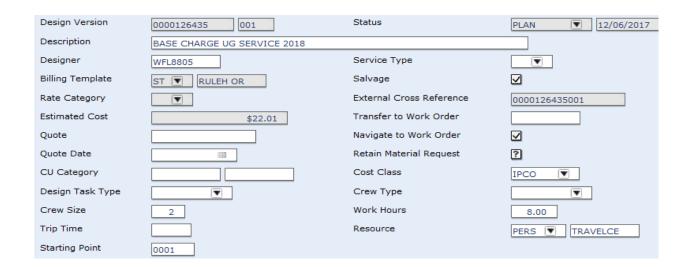
All costs were calculated using the Company's Asset Suite inventory and cost program. The same design number was used to provide a single design number for consistency and accuracy. A summary of all costs is shown below.



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

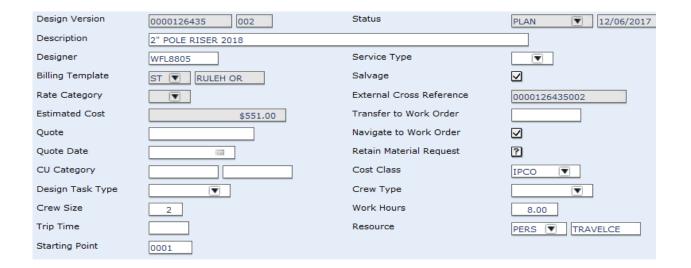
Underground Service Attachment Charge – Base Charge From Underground:

Material Cost - Cable tag & tie	pposed Update -	\$ \$	22.01 22.00
	•		1.57
Company Vehicles - \$	oor Cost -		14.72
	mpany Vehicles -	\$	5.72



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

Company Vehicles -		\$ 77.16
Labor Cost -		193.57
Material Cost -	2" PVC conduit, 2" metal conduit	
	35 feet of 1/0 triplex cable for service	
	nuts, bolts, brackets and washers	 280.27
Total		\$ 551.00
Proposed Upd	ate -	\$ 551.00

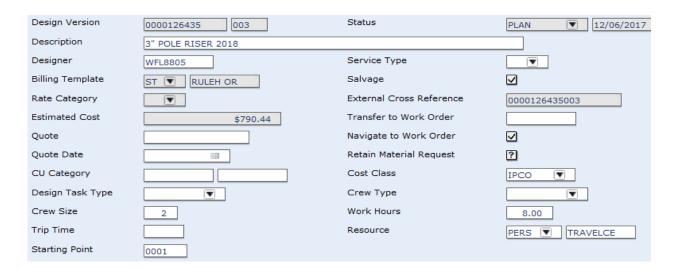


Underground Service Attachment Charge – Base Charge From Overhead 3" Riser

Company Vehic Labor Cost -	cles -	\$ 91.78 231.10
Material Cost -	3" PVC conduit, 3" metal conduit 35 feet of 4/0 triplex cable for service	
	nuts, bolts, brackets and washers	467.56
Total		\$ 790.44

Proposed Update -

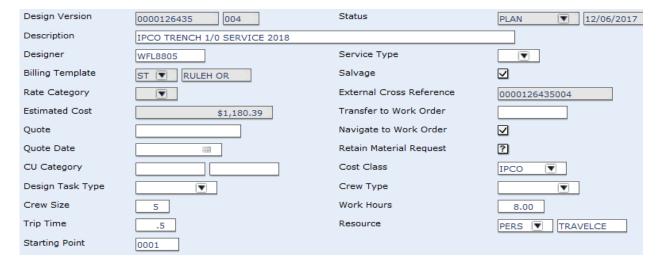




Underground Service Attachment Charge – Distance Charge Company Installed, 100 feet of 1/0 underground cable:

(5 Man crew & 0.5 hours of travel time)

Company Vehic Labor Cost - Material Cost -	Service trench & backfill 30" depth (100 feet) Service cable 1/0 (100 feet) 2" conduit (100 feet) 2" conduit 90 degree bend	\$ 304.58 702.88
Sub Total		\$ 172.93 1,180.39
Minus the cost	of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Total		\$ 981.81
Proposed Upd	late -	\$ 9.82 /ft

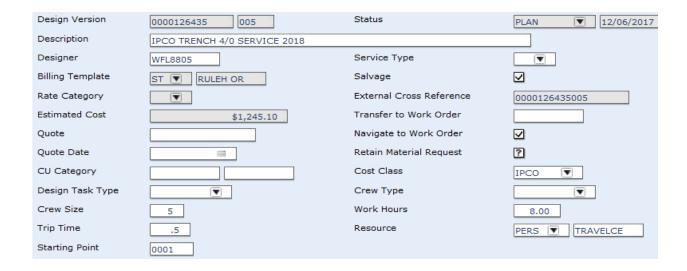


Overhead service credit used in all underground service attachment charges	
100 Feet Of Service Wire	
Company Vehicles -	\$ 28.58
Labor Cost -	110.40
Minus Travel	(36.80)
Material Cost -	96.40
Total	\$ 198.58

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

(5 Man crew & 0.5 hours of travel time)

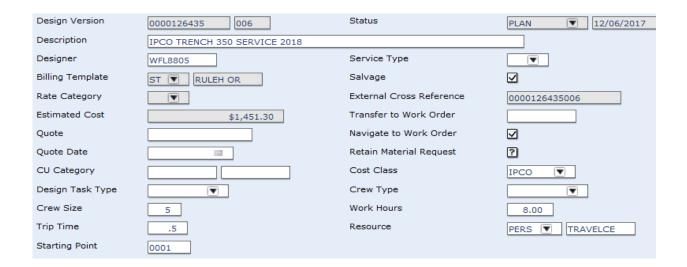
Company Vehic Labor Cost - Material Cost -	Service trench & backfill 30" depth (100 feet) Service cable 4/0 (100 feet) 2" conduit (100 feet) 2" conduit 90 degree bend	\$ 304.58 702.88
Sub Total		\$ 237.64 1,245.10
Minus the cost	of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Total		\$ 1,046.52
Proposed Upd	ate -	\$ 10.47 /ft



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

(5 Man crew & 0.5 hours of travel time)

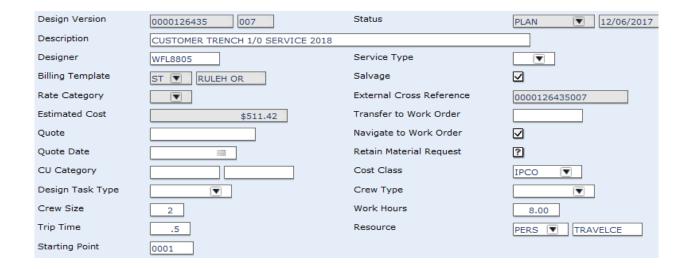
Company Vehic Labor Cost - Material Cost -	Service trench & backfill 30" depth (100 feet) Service cable 350 (100 feet) 3" conduit (100 feet) 3" conduit 90 degree bend	\$ 318.88 739.68 392.74
Sub Total		\$ 1,451.30
Minus the cost	of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Total		\$ 1,252.72
Proposed Upd	ate -	\$ 12.53 /ft



Underground Service Attachment Charge – Distance Charge Customer provided trench & conduit, 100 feet of 1/0 underground cable:

(2 Man crew & 0.5 hours of travel time)

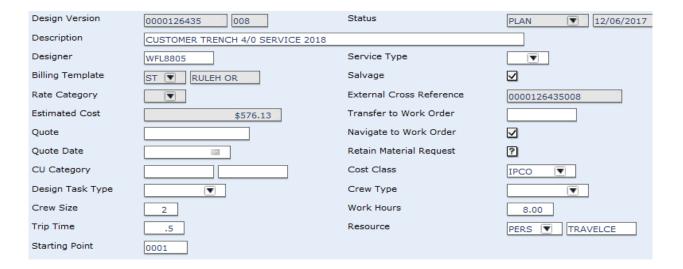
Proposed Update -	\$ 3.13 /ft
Total	\$ 312.84
Minus the cost of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Company Vehicles - Labor Cost - Material Cost - Service cable 1/0 (100 feet) Sub Total	\$ 100.02 312.80 98.60 511.42



Underground Service Attachment Charge – Distance Charge Customer provided trench & conduit, 100 feet of 4/0 underground cable:

(2 Man crew & 0.5 hours of travel time)

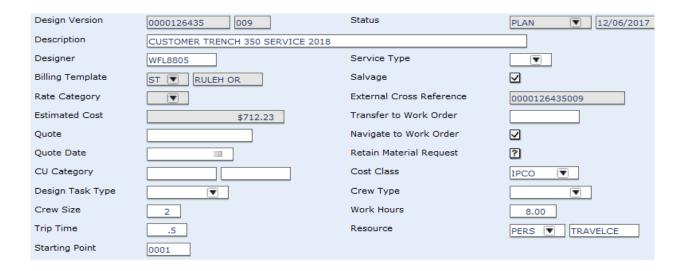
Proposed Update -	\$ 3.78 /ft
Total	\$ 377.55
Minus the cost of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Labor Cost - Material Cost - Service cable 4/0 (100 feet) Sub Total	\$ 312.80 163.31 576.13
Company Vehicles -	\$ 100.02



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

(2 Man crew & 0.5 hours of travel time)

Proposed Update -	\$ 5.14 /ft
Total	\$ 513.65
Minus the cost of a 100 foot #2 triplex overhead service wire	\$ (198.58)
Material Cost - Service cable 350 (100 feet) Sub Total	\$ 248.31 712.23
Company Vehicles - Labor Cost -	\$ 114.32 349.60



Rule H: Section 6 Other Charges

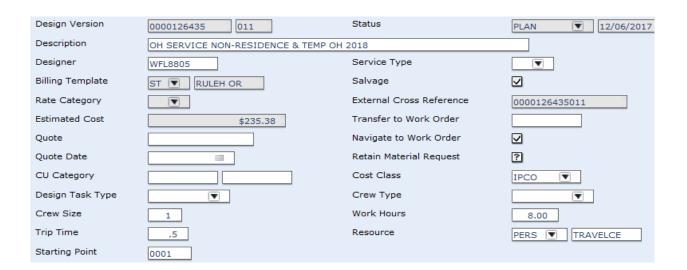
b. Engineering Charge

Proposed Update -			\$ 73.00 /hour
Total			\$ 73.20 /hour
	2018 General Overhead (effective in Nov)	15.00%	 6.84 /hour
	2018 Benefits (actual)	45.53%	20.76 /hour
2018 Wage Schedule - Senior Distribution Designer		\$ 45.60 /hour	

d. Overhead Service Attachment Charge for Non-Residence

Company Vehicles -	\$ 28.58
Labor Cost -	110.40
Material Cost -	
100 ft #2 triplex, wedge clamps, nuts, bolts	96.40
Total	\$ 235.38

Proposed Update - \$ 235.00



g. Temporary Service Attachment Charge

i. Underground

Proposed	Update -	\$ 57.00
Total		\$ 57.24
	Material Cost -	 -
	Labor Cost -	51.52
	Company Vehicles -	\$ 5.72

Design Version Status 0000126435 010 PLAN 12/06/2017 Description TEMP UNDERGROUND 2018 Designer WFL8805 Service Type • Billing Template Salvage \checkmark ST 🔻 RULEH OR Rate Category External Cross Reference 0000126435010 Estimated Cost \$57.24 Transfer to Work Order Navigate to Work Order Quote \checkmark ? Quote Date Retain Material Request Cost Class CU Category IPCO ▼ Design Task Type Crew Type ▼ ▼ Work Hours Crew Size 1 8.00 Trip Time Resource .5 PERS ▼ TRAVELCE

Starting Point

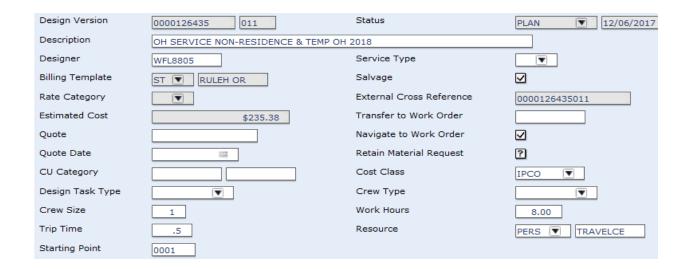
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g. Temporary Service Attachment Charge

ii. Overhead

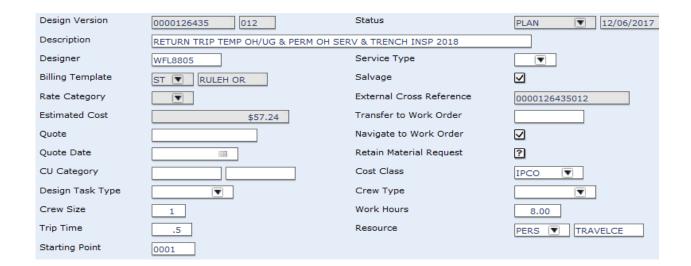
Company Vehicles -	\$ 28.58
Labor Cost -	110.40
Material Cost -	
100 ft #2 triplex, wedge clamps, nuts, bolts	96.40
Total	\$ 235.38

Proposed Update - \$ 235.00



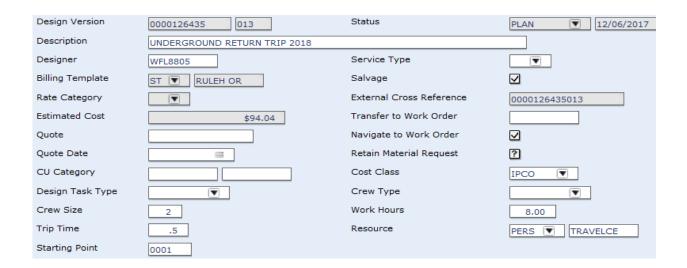
h. <u>Temporary Service (Overhead or Underground), Overhead Permanent and Customer Provided Trench Inspection Return Trip Charge</u>

Proposed Update -	\$ 57.00
Total	\$ 57.24
Labor Cost -	 51.52
Company Vehicles -	\$ 5.72



j. Underground Service Return Trip Charge

Proposed Update -	\$ 94.00
Total	\$ 94.04
Labor Cost -	 88.32
Company Vehicles -	\$ 5.72

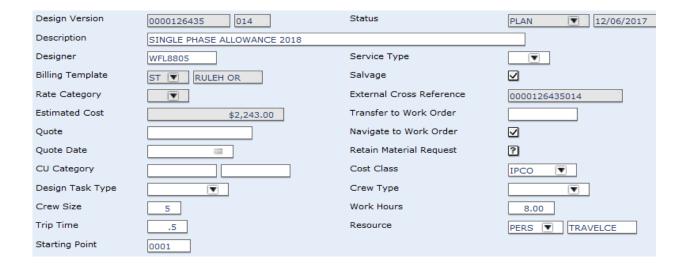


Rule H: Section 7 Line Installation and Service Attachment Allowances

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

Single Phase Allowance:

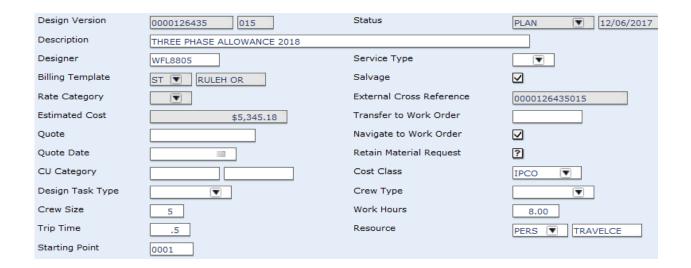
Company Vehic Labor Cost -	eles -		\$	168.60 613.21
Material Cost -	Wedge stirrup hot tap	31.24		
	Switch arm	36.41		
	Switch	130.54		
	25 kVA transformer	1,098.33		
	Transformer bussing	28.73		
	Service wire - 125 feet	112.31		
	Ground rod	18.52		
	Neutral wedge connector	5.11	_	
		\$ 1,461.19		
Total Materials		\$	1,461.19	
Total		\$	2,243.00	
Proposed Update -		\$	2,243.00	



Three Phase Allowance:

Company Vehic Labor Cost -	cles -		\$	467.38 1,566.75
Material Cost -	Wedge stirrup hot tap (3)	93.75		
	Switch arm	159.01		
	Switch (3)	349.51		
	Transformer mount	268.60		
	15 kVA transformer (3)	2,197.73		
	Transformer bussing	68.37		
	Service wire - 125 feet	150.45		
	Ground rod	18.52		
	Neutral wedge connector	5.11		
		3,311.05		
Total Materials			\$	3,311.05
Total			\$	5,345.18
Proposed Update -			Ś	5,345.00

Proposed Update \$ 5,345.00



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.

4. 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. <u>Single Phase 400 Amps or Less and Single Phase Self-Contained Multiple Meter Bases</u> 500 Amps or Less

Underground Service Cable (Base charge plus Distance charge)

Base charge from:

underground	\$ 22.00
overhead including 2" riser	\$551.00
overhead including 3" riser	\$790.00

Distance charge (per foot)

Company Installed Facilities with:

1/0 underground cable	\$ 9.82
4/0 underground cable	\$ 10.47
350 underground cable	\$ 12.53

Customer Provided Trench & Conduit with:

1/0 underground cable	\$ 3.13
4/0 underground cable	\$ 3.78
350 underground cable	\$ 5.14

Issued by IDAHO POWER COMPANY
By Timothy E. Tatum, Vice President, Regulatory Affairs
1221 West Idaho Street, Boise, Idaho

OREGON Issued: February 9, 2018 Effective with Service Rendered on and after: March 15, 2018 (I)

Advice No. 18-01

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

- 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 \$73.00 per hour.

(I)

NINTH REVISED SHEET NO. H-7 **CANCELS** EIGHTH 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 \$235.00. 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 - \$57.00 **(I)**

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

ii. Overhead - \$235.00 (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), Overhead Permanent, and Customer Provided h. Trench Inspection Return Trip Charge. A Return Trip Charge of \$57.00 will be assessed each (I) time Company personnel are dispatched to 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.

Advice No. 18-01

(I)

March 15, 2018

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

6. Other Charges (Continued)

i. Unusual Conditions Charge. Applicants, Additional Applicants, and subdividers will pay the 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 \$94.00 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.

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

Residential: Schedules 1 Non-residence	\$2,243.00 Cost of new meter only	(1)
Non-residential:		
Schedules 7, 9, 24		
Single Phase	\$2,243.00	(1)
Three Phase	\$5,345.00	(I)

Maximum Allowance per Service

Issued by IDAHO POWER COMPANY By Timothy E. Tatum, Vice President, Regulatory Affairs 1221 West Idaho Street, Boise, Idaho

Advice No. 18-01

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(I)

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 \$2,243.00 allowance for each single phase transformer installed within a development and a \$5,345.00 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.

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

- 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.

Advice No. 18-01

March 15, 2018

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