

ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS

(a) Applicant Built Line Extensions

(1) General

An Applicant may contract with someone other than the Company to build an Extension. The following circumstances, however, are not an option for Applicant Built Line Extensions: relocations, conversions from overhead to underground, going from single-phase to three-phase, or increasing the capacity of facilities. The Applicant must contract with the Company before starting construction of an Applicant Built Line Extension. When the Applicant has completed construction of the 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 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 the actual costs for inspections and may adjust that portion of the Applicant's advance. If the actual costs exceed the Applicant's advance, the Applicant must pay the difference before the Company will accept and energize the Extension. If the actual costs are less than the Applicant's advance, the Company will refund the difference.

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

(4) Construction Standards

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

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