ELECTRIC SERVICE REGULATION NO. 12 - Continued

6.   **RELOCATIONS AND CONVERSIONS OF FACILITIES (continued)**   (C)

   (a)   **Relocations**   (N)
              For relocations the Applicant or Customer 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.

   (b)   **Overhead to Underground Conversions**   (N)
              For overhead to underground conversions, the new underground system must not (D,C) impair the use of the remaining overhead system. The Applicant or Customer must elect either: to provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the relocation; or, to pay the Company to provide these items.

              In addition, the Applicant or Customer 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 and depreciation on the original facilities.

                                                      (C)

   (c)   **Overhead to Underground Conversions for Local Governments**
              When required by a governmental entity and when such conversion is practical, the Company will replace existing overhead with underground distribution facilities provided the entity pays the Company in accordance with paragraph (c) above, and provided the entity will adopt an ordinance creating an underground district requiring:

       (1)   All existing overhead communication and electric distribution facilities in said district be removed: and,

       (2)   Each property owner to make the changes necessary to receive service from the underground facilities as soon as the Company makes them available; and

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