

August 17, 2023

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

Re: Docket No. 23-035-T08
Proposed Tariff Changes to Electric Service Regulation No. 12 (Line Extensions)

Enclosed for filing by PacifiCorp, d.b.a Rocky Mountain Power (“the Company”) are proposed tariff sheets associated with Tariff P. S. C. No. 51, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405-2(D), the Company states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company respectfully requests an effective date of November 15, 2023.

Second Revision of Sheet No. D		Index of Electric Service Regulations
First Revision of Sheet No. 12R.2	Electric Service Regulation No. 12	Line Extensions
First Revision of Sheet No. 12R.7	Electric Service Regulation No. 12	Line Extensions

Tariff Sheet Nos. 12R.2 and 12R.7 contain substantive changes. The additional language added to Sheet No. 12R.7 shifts text and therefore requires renumbering of sheets 12R.8 through 12R.18. Sheet No. D has been updated to include Sheet No. 12R.18. The proposed changes to Electric Service Regulation No. 12 – Line Extensions (“Regulation No. 12”) are a policy change to the Company’s line extension policy. The Company seeks to limit the line extension allowance as defined in section 3.e of Regulation No. 12 to the cost of metering equipment necessary to measure the Customer’s usage for customers requiring more than 25,000 kVA (“kilovolt-amperes”).

Currently, Rocky Mountain Power’s line extension policy is administered through Regulation No. 12, which specifies how the extension allowance will be calculated for a nonresidential customer with delivery at less than 46,000 Volts.¹ Under part 3(b), the Extension Allowance is differentiated for customers with 1,000 kVA or less (part 1) and customers over 1,000 kVA (part 2). Customers over 1,000 kVA are provided an Extension

¹ See Electric Service Regulation No. 12R.6 through 12R.10 (“Extension Allowance”)

Allowance of up to sixteen times the estimated monthly revenue that they will ultimately pay the Company. For extensions to customers taking delivery at less than 46,000 Volts but which include facilities at 46,000 Volts or higher as part of the Line Extension, some or all of the estimated Allowance may be allocated to the higher voltage facilities. The Company will grant an Extension Allowance of up to twenty times the estimated monthly revenue allocated to the higher voltage facilities.

Request for Modification Line Extension Policy

Rocky Mountain Power is increasingly receiving service requests from large prospective customers, such as data center owners and developers, for tens to hundreds of megawatts of load. Under Regulation No. 12, these customers receive an Extension Allowance that is a multiple of the customers' anticipated monthly revenue, designed for a scenario where customer take service from the Company and pay revenues that offset the costs incurred to serve them. If a customer's anticipated load does not materialize, the current tariff structure presents a risk that the Company's other customers will be left to bear the costs of expensive infrastructure without offsetting revenue from the customer for whom the infrastructure was constructed. To mitigate this risk, the Company proposes to add a new section to part 3(b) of Regulation No. 12 for customers requiring more than 25,000 kVA. The Company proposes to limit the Extension Allowance for these customers to the cost of metering equipment necessary to measure the Customer's usage. This change would reduce the risk of cost shifting, while still providing customers with the flexibility to take service either as transmission service customers or under rate schedules that do not require customers to maintain and operate substations and other electric equipment (such as Electric Service Schedule No. 8).

If the Company's proposed changes to Regulation No. 12 are approved by the Commission, each Customer with an executed master electric service agreement ("MESA") with the Company prior to the filing date of August 17, 2023, would receive a Line Extension Allowance in accordance with the terms of the executed MESA. For Customers that have previously received a written Line Extension Allowance estimate under the current provisions of Regulation No. 12, the Company proposes to allow these Customers six months from the August 17, 2023, filing date to execute a MESA with the Company using the allowance included in the written estimate. Subsequent load requests would be subject to the provisions of the revised tariff once approved by the Commission.

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

Regulation No. 12, Line Extensions

1(e). 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 is the lesser of: the maximum potential Extension Allowance; or, the Extension Cost.

Unifying all sections of the Line Extension Regulation pertaining to customer allowances removes ambiguity from the regulation.

3(b). NONRESIDENTIAL EXTENSIONS, Extension Allowances – Delivery at less than 46,000 Volts

The Company is recommending several modifications to this subsection to limit the Line Extension allowance granted to customers requiring more than 25,000 kVA. The first recommended modification is to 3(b)(2) to limit customer provisions that were previously applicable to customers requiring more than 1,000 kVA to only apply to customers requiring over 1,000 kVA but less than 25,000 kVA. The following language was added to the beginning of this subsection, italicized below:

(2) Over 1,000 kVA and less than 25,000 kVA

The Company will grant Nonresidential Applicants requiring more than 1,000 kVA *but less than 25,000 kVA* an Extension Allowance of up to 16 times the estimated monthly revenue the Applicant will pay the Company.

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

(3) 25,000 kVA and Greater

The Company will grant Nonresidential Applicants requiring 25,000 kVA or more an Extension Allowance of the metering necessary to measure the Customer'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 of up to 16 times the estimated monthly revenue the applicant will pay the Company for distribution-voltage facilities that are part of the extension and 20 times the estimated monthly revenue for transmission-voltage (46,000 Volts or higher) facilities that are part of the extension, 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 February 16, 2024.

Apart from the Extension Allowance, the Applicant is subject to the same Extension provisions as an Applicant with a load less than 25,000 kVA.

If this change is approved by the Commission, the subsection previously titled 3(b)(3) addressing additional capacity would subsequently become subsection 3(b)(4). The Company proposes adding the following sentence to the end of subsection 3(b)(4) – formerly subsection 3(b)(3):

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 edit recommended by the Company to effectuate the change to limit the Line Extension allowance provided to customers requiring more than 25,000 kVA to the cost of metering equipment necessary to measure the Customer’s usage.

Support for the Proposed Changes

The proposed limited Line Extension allowance for large (greater than 25,000 kVA) load requests in this filing aligns with the limited allowance provided for transmission voltage (46 kilovolts and higher) load requests. A customer whose load is greater than 25,000 kVA would typically require service from a dedicated substation. Standard practice is for such a customer to take service at transmission voltage under Electric Service Schedule No. 9 (“Schedule No. 9) and to own and operate the dedicated substation as the sole beneficiary of this equipment. Additionally under Schedule No. 9, radial facilities required to interconnect an individual customer 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.² These customers are then not eligible to receive the standard allowance for non-residential customers as Schedule No. 9 rates do not include any costs for distribution facilities other than metering equipment.³ Under Schedule No. 9, large customers are charged lower rates in exchange for paying upfront Line Extension costs, and existing customers do not subsidize investments to serve large new loads.

Conclusion

For the reasons outlined in this filing, the proposed changes to Regulation No. 12 limit the Line Extension allowance to better align it with the principles of cost causation. The Company requests the Commission approve the Company’s requested changes as just and reasonable.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred):

datarequest@pacificorp.com
utahdockets@pacificorp.com
Jana.saba@pacificorp.com

² P.S.C. of Utah, Docket No. 99-035-10, Direct Testimony of Royal Drager, Pg. 3, Lns. 16-19.

³ P.S.C. of Utah, Docket No. 99-035-10, Direct Testimony of Royal Drager, Pg. 3, Lns. 14-16.

Public Service Commission of Utah

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By Regular mail:

Data Request Response Center
PacifiCorp
825 NE Multnomah Blvd, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba, Manager, State Regulatory Affairs, at (801) 220-2823.

Sincerely,



Joelle Steward

Senior Vice President, Regulation and Customer/Community Solutions

CC: DPU, OCS

Enclosures

CERTIFICATE OF SERVICE

Docket No. 23-035-T08

I hereby certify that on August 17, 2023, a true and correct copy of the foregoing was served by electronic mail to the following:

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Santiago Gutierrez
Coordinator, Regulatory Operations

Proposed Tariffs

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STATE OF UTAH**

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T0822-035-T12

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

1. CONDITIONS AND DEFINITIONS (continued)

(c) Engineering Costs (continued)

If the Applicant requests changes that require additional estimates, the Applicant must advance the Company's estimated Engineering Costs, but not less than the minimum specified in Schedule 300 for each additional estimate. The Company will not refund or credit these payments.

(d) Extension or Line Extension – A branch from, or a continuation of, a Company owned transmission or distribution line. An Extension may be single-phase, three-phase, a conversion of single-phase line to a three-phase line or the provision of additional capacity in existing lines or facilities. The Company will own, operate and maintain all extensions made under Regulation No. 12.

(e) 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 is the lesser of: the maximum potential Extension Allowance; or, the Extension Cost. The Extension Allowance does not apply to 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. An Extension Allowance will be provided only if the Company has reasonable assurance as to the permanent continuation of required revenue. The Extension Allowance is not available to Customers receiving electric service under special pricing contracts.

(f) 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.

(g) Extension Limits – The provisions of this Regulation apply to Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct 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.

(continued)

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(b) Extension Allowances - Delivery at less than 46,000 Volts

(1) 1,000 kVA or less

The Company will grant Nonresidential Applicants requiring 1,000 kVA or less an Extension Allowance of up to 16 times the estimated monthly revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

The Company may require the Customer to pay a Contract Minimum Billing for five years. Remote Service Customers must pay a Contract Minimum Billing for as long as service is taken, but in no case more than 15 years.

(2) Over 1,000 kVA and less than 25,000 kVA

The Company will grant Nonresidential Applicants requiring more than 1,000 kVA but less than 25,000 kVA an Extension Allowance of up to 16 times the estimated monthly revenue the Applicant will pay the Company.

For extensions to Customers taking delivery at less than 46,000 Volts but which include facilities at 46,000 Volts or higher as part of the extension, some or all of the estimated revenue may be allocated to the higher voltage facilities. The Company will grant an Extension Allowance of up to 20 times the estimated monthly revenue allocated to the higher voltage facilities.

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 Customer must pay a Contract Minimum Billing for as long as service is taken, but in no case more than 15 years.

If service is terminated within the first 10 years, the Customer 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 kVA and Greater

The Company will grant Nonresidential Applicants requiring 25,000 kVA or more an Extension Allowance of the metering necessary to measure the Customer'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 of up to 16 times the estimated monthly revenue the applicant will

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(b) Extension Allowances - Delivery at less than 46,000 Volts

(3) 25,000 kVA and Greater (continued)

pay the Company for distribution-voltage facilities that are part of the extension and 20 times the estimated monthly revenue for transmission-voltage (46,000 Volts or higher) facilities that are part of the extension, 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 February 16, 2024.

Apart from the Extension Allowance, the Applicant is subject to the same Extension provisions as an Applicant with a load less than 25,000 kVA.

(43) Additional Capacity

The Extension Allowance for Customers where it is necessary for the Company to increase the capacity of their facilities to serve the Customer'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 subject to the same provisions of new line extensions, according to Customer service voltage, total load size, and permanency.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(c) Additional Customers, Advances and Refunds – All Voltages

(1) Initial Customer - 1,000 kVA or less

A Customer who paid a refundable advance on an Extension, acquired right-of-way, and/or provided work and material on an underground Extension, may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first 10 years following construction of an Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants utilizing a portion of the initial Extension, for which a refund was not waived, must pay the Company, prior to connection, 20% of the refund amount of the shared facilities. The Company will refund such payments to the initial Customer.

(2) Initial Customer - over 1,000 kVA

A Customer who paid a refundable advance on an Extension, acquired right-of-way, and/or provided work and material on an underground Extension, may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first 10 years following construction of an Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants utilizing a portion of the initial Extension, for which a refund was not waived, must pay the Company, prior to connection, a proportionate share of the refund amount of the shared facilities. The Company will refund such payments to the initial Customer.

$$\text{Proportionate Share} = (A + B) \times C$$

Where:

$$A = [\text{Shared footage of line}] \times [\text{Average cost per foot of the line}]$$

$$B = \text{Cost of the other shared distribution equipment, if applicable}$$

$$C = [\text{New additional connected load}]/[\text{Total connected load}]$$

(3) Adjustment of Contract Minimum Billing

The Facilities Charges of Customers that receive a refund are reduced by the Facilities Charge amount associated with the refund.

(d) Change in Line Voltage

When the Company changes the voltage of a distribution line, a Customer taking service at the distribution line voltage (Primary Delivery Customer) is responsible for the cost

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

of taking service at the new distribution line voltage in order to continue to receive their primary voltage discount.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(d) Change in Line Voltage (continued)

When the Company has scheduled to increase the voltage of a transmission line the Company shall give Customers taking transmission delivery service from that transmission line (Transmission delivery Customers) at least 12 months advance written notice of the change.

Transmission Delivery Customers whose substations began taking service after January 16, 2019, or, who request an increase in capacity that requires a change in the transmission voltage, or, when the substation was initially connected to the transmission system the service contract so provided will, at their own expense, make the necessary changes to their equipment to receive service at the increased voltage.

For all other Transmission Delivery Customers, the Company will select and retain an independent engineering firm, acceptable to Customer, to determine the cost of upgrading the substation equipment, less salvage. Company will pay to the Customer 50 percent of the estimated costs to upgrade the substation for the voltage changes. The Transmission Delivery Customer will make the necessary changes to their equipment to receive service at the increased voltage.

(e) Reduction in Contract Capacity or Demand

The Company is not obligated to reserve capacity in Company substations or on Company lines or maintain service facilities in place, in excess of the maximum Customer demand billed in the most recent 36 months, unless a contract provides otherwise. When reducing Contract Demand the Company may reduce it to a level that the Company reasonably determines, but not less than the peak demand actually measured over the past 36 months.

Prior to reduction of Contract Demand, the Company will provide the Customer with 30 days written notice (Notice Period) of any reductions in Contract Demand level. Absent a Customer response, the change in Contract Demand is effective at the end of the Notice Period. The Customer may respond within the Notice Period demonstrating that its demand is reasonably expected to increase within the foreseeable future or otherwise provide a reasonable basis for a greater demand than the revised Contract Demand in the written notice, but not greater than the existing Contract Demand. After consideration of the Customer's response, the Company will provide a final notice containing the Company's decision. Any reduction in Contract Demand that is provided in the final notice will become effective immediately unless the Notice

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

Period has not terminated, in which case, it will be effective on the last day of the Notice Period.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(e) Reduction in Contract Capacity or Demand (continued)

This Section 3(e) does not modify or supersede any existing contractual provisions specifically addressing notice requirements or Customer protections relating to such a change in demand.

(f) Underground Extensions

The Company will construct 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 6 of this Regulation. The Applicant must provide, at their expense, all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. When the Extension is to property that 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.

(g) Wheeling Charges

When, in lieu of building a transmission Line Extension at Customer's expense, Company contracts with another transmission provider to wheel (transmit) power across transmission provider's lines necessary to serve the Customer, Customer will pay transmission provider's wheeling charges in addition to their electric bill and any other applicable charges.

(h) Street Lighting

The Extension Allowance to streetlights taking service under Rate Schedules 11 or 12 is equal to five times the annual revenue from the lights to be 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 energized streetlights.

4. EXTENSIONS TO PLANNED DEVELOPMENTS

(a) General

Planned developments, including subdivisions, mobile home parks, commercial parks and industrial parks, are areas where groups of dwellings or buildings are planned to be constructed at or about the same time. The Company will install facilities in planned developments, for which a recorded plat has been provided, before there are actual Applicants for service under the terms of a written contract. The Company shall not be

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

required to make Extensions to areas where there is not reasonable assurance of actual Applicants for service within five years.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

4. EXTENSIONS TO PLANNED DEVELOPMENTS (continued)

(b) Allowances and Advances (continued)

For residential developments the Company will provide the Developer an Extension Allowance of \$750 for each lot to which secondary voltage service is made available at the lot line. If, due to lot size or other constraints, the Company determines the voltage drop on future service runs is likely to exceed that allowed, transformers and secondary will not be installed, and no allowance granted to the developer for those lots or residences. The Developer must pay an advance for all costs in excess of the allowance Service to the residential dwellings will be provide under the provisions of Section 2. Residential Extensions. The Developer may be required to pay a refundable advance equal to the Extension Allowance.

For non-residential developments the Developer must pay an advance of the Company's estimated installed costs to provide primary voltage connection points 'to each lot. Service to the buildings will be provided from the primary voltage connection points under the provisions of Section 3. Non-residential Extensions.

For both residential and non-residential developments the Company may require the Developer to pay for facilities to and within the development to provide additional service reliability or for future development.

(c) Refunds

The Company will make no refunds on Developer advances, Developer acquired right-of-way, and/or Developer provided work and material for facilities installed within a development for the exclusive purpose of serving the development. A Developer who paid a refundable advance on an Extension, acquired right-of-way, and/or has provided work and material on an underground Extension, may receive refunds when an Applicant outside the development receives power from the Extension by connecting to a primary voltage line installed to, alongside or through the development. The Developer is eligible for these refunds during the first 10 years following construction of the Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants, for which a refund was not waived, must pay the Company, prior to connection, 20% of the refund amount of the shared facilities. The Company will refund such payments to the Developer.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

4. EXTENSIONS TO PLANNED DEVELOPMENTS (continued)

(d) Underground Extensions

The Company will construct 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 6. Relocations and Conversions of Facilities. The Developer must provide, at their expense, all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires.

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.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(a) Applicant Built Line Extensions (continued)

(3) Advance for Design, Specifications, Material Standards and Inspections (continued)

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.

(5) Transfer of Ownership

Upon approval of the construction, the Company will assume ownership of the Extension. The Applicant must provide the Company unencumbered title to the 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.(m). in this Regulation.

(7) Contract Minimum Billing

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph 1.(b) in this Regulation.

(8) Deficiencies in Construction

If, within 24 months of the time the Company energized the Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency.

(9) Line Extension Value

The Company will calculate the value of an Extension using its standard estimating methods. The Company will use the 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

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

Company provided equipment or services, but in no case more than the Line Extension Value.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(b) Deduct Service

The Company may, in lieu of a Line Extension, provide service to a new Customer (Deduct Customer) through utilization of the electrical facilities owned, operated and maintained by an existing Customer (Facilities Owner) provided that the Deduct Customer, the Facilities Owner and the Company each agree with the service arrangement and enter into a written agreement, referred to as a deduct agreement, that specifies the terms of the service delivery and is consistent with the terms of this Subsection b.

Beginning January 16, 2019, new Deduct Service installations are only allowed where the Facilities Owner provides service to the Deduct Customer at or below 34.5 kV, and only:

1. As a temporary expediency to provide service for five years or less; or
2. In Remote Service locations where the length of a Line Extension from the Company to the Deduct Customer will exceed one mile and the cost will exceed seven times the Deduct Customer's estimated annual revenue.

The Deduct Customer shall bear the risk that it may be unable to obtain service in the event the deduct agreement is terminated, service to the Facilities Owner is terminated, or the Facilities Owner is unable to provide service through use of its electrical facilities for any reason. In the event the Deduct Customer is no longer able to obtain deduct service, and/or at the expiration of the five-year temporary period, the Deduct Customer may reinstate service in accordance with the provisions of a Line Extension as provided in this Regulation.

The Deduct Customer will be billed by a separate meter on a retail rate schedule applicable to the service the Deduct Customer is receiving. The Deduct Customer shall construct, own, operate and maintain: all equipment necessary to receive service from the electrical facilities owned by the Facilities Owner; a Company approved metering point; and communication for remote meter reading. The deduct-meter will be Company owned using an approved revenue metering package.

With the addition of the Deduct Customer, the Facilities Owner's meter measures the usage of both of them, thus is a master meter. The Facilities Owner's usage shall be calculated by subtracting the Deduct Customer's usage from the Facilities Owner's usage as metered by the master meter. Under no circumstances is the Facilities Owner to sub-meter or otherwise charge the Deduct Customer for the electrical energy delivered through the Facilities Owners facilities, or for any other charge that is based on the amount of the Deduct Customer's energy use. However the Facilities Owner may enter into a maintenance agreement with the Deduct Customer for its reasonable costs

(continued)

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EFFECTIVE: November 15,

ELECTRIC SERVICE REGULATION NO. 12 - Continued

incurred to maintain the electrical facilities used to deliver service to the Deduct Customer.

(continued)

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(b) Deduct Service (continued)

This Section 5(b) applies only to Customers or situations in which no existing end-use entity is receiving Deduct Service or similar services from a Customer as of January 16, 2019, and does not modify any existing agreements, arrangements or relationships for Deduct Service or similar services offered by existing Customers.

(c) Duplicate Service Facilities

The Company will furnish Duplicate Service Facilities if the Customer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Customer also must pay Facilities Charges for the Duplicate Facilities for as long as service is taken, but in no case less than five years.

(d) 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.

(e) Highly Fluctuating Loads

The Company will furnish facilities for Highly Fluctuating Loads as defined in Regulation No. 2 of this Tariff, provided that the Applicant agrees to advance to the Company the estimated installed cost of such facilities over the cost of facilities which the Company, in its sole discretion, would otherwise provide. The Applicant shall also pay a Contract Minimum Billing as long as service is taken but in no case less than five years. If load fluctuations become a detriment to other Customers, the Company may modify the facilities and adjust the advance and the Contract Minimum Billing.

(f) Non-residential Remote Loads in Isolated Locations

The Company will furnish facilities for Remote Service, as defined in Regulation No. 2 of this tariff, for non-residential loads under the terms of this Regulation No. 12. However if the cost to provide service to the point of delivery is more than seven times the estimated annual revenue from the remote Customer, the facilities charge will continue for as long as service continues unless and until the load is no longer distant nor isolated.

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(g) Temporary Service

- (1) For Temporary Service requests requiring only a service loop connection and where there are 120/240 volt facilities of adequate capacity available, the Customer shall pay the connect and disconnect charge specified in Schedule 300.
- (2) For all other Temporary Service requests the Customer 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.
- (3) The Customer 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.
- (4) If a Customer takes Temporary Service continuously for 60 consecutive months, the Company will classify the Extension as permanent and refund any payment the Customer made over that required of a permanent Customer. The Company will not refund the Facilities Charges.

6. RELOCATIONS AND CONVERSIONS OF FACILITIES

If requested by an Applicant or Customer, and performance of the request is feasible, the Company will: relocate distribution voltage facilities on to, or adjacent to, the Customer's premises; and/or, replace existing overhead distribution facilities with comparable underground (overhead to underground conversion). If existing easements are insufficient for the new facilities, the Applicant or Customer is responsible for obtaining new easements. Substation facilities and transmission voltage facilities will be relocated at the discretion of the Company.

Advances for relocations and conversions are not refundable. The Company is not responsible for allocating costs and responsibilities among multiple Applicants.

(a) Relocations

For relocations the Applicant or Customer must advance the following:

(continued)

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

- (1) The estimated installed cost of the new facilities plus the estimated removal expense of the existing facilities, less

(continued)

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

6. RELOCATIONS AND CONVERSIONS OF FACILITIES (continued)

(a) Relocations (continued)

(2) The estimated salvage value of the removed facilities.

(b) Overhead to Underground Conversions

For overhead to underground conversions, the new underground system must not 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) 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 (b) 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

(3) Authorizes the Company to discontinue overhead service when it has completed construction of the underground facilities.

7. CONTRACT ADMINISTRATION CREDIT

When a Line Extension includes a refundable advance, a Customer may waive all refunds and receive the Contract Administration Credit specified in Schedule 300. The Customer's choice to receive the Contract Administration Credit must be made at the time the Extension advance is paid.

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STATE OF UTAH**

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ELECTRIC SERVICE REGULATION NO. 12 - Continued

1. CONDITIONS AND DEFINITIONS (continued)

(c) Engineering Costs (continued)

If the Applicant requests changes that require additional estimates, the Applicant must advance the Company's estimated Engineering Costs, but not less than the minimum specified in Schedule 300 for each additional estimate. The Company will not refund or credit these payments.

(d) Extension or Line Extension – A branch from, or a continuation of, a Company owned transmission or distribution line. An Extension may be single-phase, three-phase, a conversion of single-phase line to a three-phase line or the provision of additional capacity in existing lines or facilities. The Company will own, operate and maintain all extensions made under Regulation No. 12.

(e) 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 is the lesser of: the maximum potential Extension Allowance; or, the Extension Cost. The Extension Allowance does not apply to 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. An Extension Allowance will be provided only if the Company has reasonable assurance as to the permanent continuation of required revenue. The Extension Allowance is not available to Customers receiving electric service under special pricing contracts.

(f) 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.

(g) Extension Limits – The provisions of this Regulation apply to Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct 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.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(b) Extension Allowances - Delivery at less than 46,000 Volts

(1) 1,000 kVA or less

The Company will grant Nonresidential Applicants requiring 1,000 kVA or less an Extension Allowance of up to 16 times the estimated monthly revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

The Company may require the Customer to pay a Contract Minimum Billing for five years. Remote Service Customers must pay a Contract Minimum Billing for as long as service is taken, but in no case more than 15 years.

(2) Over 1,000 kVA and less than 25,000 kVA

The Company will grant Nonresidential Applicants requiring more than 1,000 kVA but less than 25,000 kVA an Extension Allowance of up to 16 times the estimated monthly revenue the Applicant will pay the Company.

For extensions to Customers taking delivery at less than 46,000 Volts but which include facilities at 46,000 Volts or higher as part of the extension, some or all of the estimated revenue may be allocated to the higher voltage facilities. The Company will grant an Extension Allowance of up to 20 times the estimated monthly revenue allocated to the higher voltage facilities.

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 Customer must pay a Contract Minimum Billing for as long as service is taken, but in no case more than 15 years.

If service is terminated within the first 10 years, the Customer 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 kVA and Greater

The Company will grant Nonresidential Applicants requiring 25,000 kVA or more an Extension Allowance of the metering necessary to measure the Customer'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 of up to 16 times the estimated monthly revenue the applicant will

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(b) Extension Allowances - Delivery at less than 46,000 Volts

(3) 25,000 kVA and Greater (continued)

pay the Company for distribution-voltage facilities that are part of the extension and 20 times the estimated monthly revenue for transmission-voltage (46,000 Volts or higher) facilities that are part of the extension, 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 February 16, 2024.

Apart from the Extension Allowance, the Applicant is subject to the same Extension provisions as an Applicant with a load less than 25,000 kVA.

(4) Additional Capacity

The Extension Allowance for Customers where it is necessary for the Company to increase the capacity of their facilities to serve the Customer'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 subject to the same provisions of new line extensions, according to Customer service voltage, total load size, and permanency.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(c) Additional Customers, Advances and Refunds – All Voltages

(1) Initial Customer - 1,000 kVA or less

A Customer who paid a refundable advance on an Extension, acquired right-of-way, and/or provided work and material on an underground Extension, may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first 10 years following construction of an Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants utilizing a portion of the initial Extension, for which a refund was not waived, must pay the Company, prior to connection, 20% of the refund amount of the shared facilities. The Company will refund such payments to the initial Customer.

(2) Initial Customer - over 1,000 kVA

A Customer who paid a refundable advance on an Extension, acquired right-of-way, and/or provided work and material on an underground Extension, may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first 10 years following construction of an Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants utilizing a portion of the initial Extension, for which a refund was not waived, must pay the Company, prior to connection, a proportionate share of the refund amount of the shared facilities. The Company will refund such payments to the initial Customer.

$$\text{Proportionate Share} = (A + B) \times C$$

Where:

$$A = [\text{Shared footage of line}] \times [\text{Average cost per foot of the line}]$$

$$B = \text{Cost of the other shared distribution equipment, if applicable}$$

$$C = [\text{New additional connected load}] / [\text{Total connected load}]$$

(3) Adjustment of Contract Minimum Billing

The Facilities Charges of Customers that receive a refund are reduced by the Facilities Charge amount associated with the refund.

(d) Change in Line Voltage

When the Company changes the voltage of a distribution line, a Customer taking service at the distribution line voltage (Primary Delivery Customer) is responsible for the cost of taking service at the new distribution line voltage in order to continue to receive their primary voltage discount.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(d) Change in Line Voltage (continued)

When the Company has scheduled to increase the voltage of a transmission line the Company shall give Customers taking transmission delivery service from that transmission line (Transmission delivery Customers) at least 12 months advance written notice of the change.

Transmission Delivery Customers whose substations began taking service after January 16, 2019, or, who request an increase in capacity that requires a change in the transmission voltage, or, when the substation was initially connected to the transmission system the service contract so provided will, at their own expense, make the necessary changes to their equipment to receive service at the increased voltage.

For all other Transmission Delivery Customers, the Company will select and retain an independent engineering firm, acceptable to Customer, to determine the cost of upgrading the substation equipment, less salvage. Company will pay to the Customer 50 percent of the estimated costs to upgrade the substation for the voltage changes. The Transmission Delivery Customer will make the necessary changes to their equipment to receive service at the increased voltage.

(e) Reduction in Contract Capacity or Demand

The Company is not obligated to reserve capacity in Company substations or on Company lines or maintain service facilities in place, in excess of the maximum Customer demand billed in the most recent 36 months, unless a contract provides otherwise. When reducing Contract Demand the Company may reduce it to a level that the Company reasonably determines, but not less than the peak demand actually measured over the past 36 months.

Prior to reduction of Contract Demand, the Company will provide the Customer with 30 days written notice (Notice Period) of any reductions in Contract Demand level. Absent a Customer response, the change in Contract Demand is effective at the end of the Notice Period. The Customer may respond within the Notice Period demonstrating that its demand is reasonably expected to increase within the foreseeable future or otherwise provide a reasonable basis for a greater demand than the revised Contract Demand in the written notice, but not greater than the existing Contract Demand. After consideration of the Customer's response, the Company will provide a final notice containing the Company's decision. Any reduction in Contract Demand that is provided in the final notice will become effective immediately unless the Notice Period has not terminated, in which case, it will be effective on the last day of the Notice Period.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

3. NONRESIDENTIAL EXTENSIONS (continued)

(e) Reduction in Contract Capacity or Demand (continued)

This Section 3(e) does not modify or supersede any existing contractual provisions specifically addressing notice requirements or Customer protections relating to such a change in demand.

(f) Underground Extensions

The Company will construct 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 6 of this Regulation. The Applicant must provide, at their expense, all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. When the Extension is to property that 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.

(g) Wheeling Charges

When, in lieu of building a transmission Line Extension at Customer's expense, Company contracts with another transmission provider to wheel (transmit) power across transmission provider's lines necessary to serve the Customer, Customer will pay transmission provider's wheeling charges in addition to their electric bill and any other applicable charges.

(h) Street Lighting

The Extension Allowance to streetlights taking service under Rate Schedules 11 or 12 is equal to five times the annual revenue from the lights to be 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 energized streetlights.

4. EXTENSIONS TO PLANNED DEVELOPMENTS

(a) General

Planned developments, including subdivisions, mobile home parks, commercial parks and industrial parks, are areas where groups of dwellings or buildings are planned to be constructed at or about the same time. The Company will install facilities in planned developments, for which a recorded plat has been provided, before there are actual Applicants for service under the terms of a written contract. The Company shall not be required to make Extensions to areas where there is not reasonable assurance of actual Applicants for service within five years.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

4. EXTENSIONS TO PLANNED DEVELOPMENTS (continued)

(b) Allowances and Advances (continued)

For residential developments the Company will provide the Developer an Extension Allowance of \$750 for each lot to which secondary voltage service is made available at the lot line. If, due to lot size or other constraints, the Company determines the voltage drop on future service runs is likely to exceed that allowed, transformers and secondary will not be installed, and no allowance granted to the developer for those lots or residences. The Developer must pay an advance for all costs in excess of the allowance Service to the residential dwellings will be provide under the provisions of Section 2. Residential Extensions. The Developer may be required to pay a refundable advance equal to the Extension Allowance.

For non-residential developments the Developer must pay an advance of the Company's estimated installed costs to provide primary voltage connection points 'to each lot. Service to the buildings will be provided from the primary voltage connection points under the provisions of Section 3. Non-residential Extensions.

For both residential and non-residential developments the Company may require the Developer to pay for facilities to and within the development to provide additional service reliability or for future development.

(c) Refunds

The Company will make no refunds on Developer advances, Developer acquired right-of-way, and/or Developer provided work and material for facilities installed within a development for the exclusive purpose of serving the development. A Developer who paid a refundable advance on an Extension, acquired right-of-way, and/or has provided work and material on an underground Extension, may receive refunds when an Applicant outside the development receives power from the Extension by connecting to a primary voltage line installed to, alongside or through the development. The Developer is eligible for these refunds during the first 10 years following construction of the Extension for up to four additional Applicants as given in Section 1(k) Refunds. Each of these Applicants, for which a refund was not waived, must pay the Company, prior to connection, 20% of the refund amount of the shared facilities. The Company will refund such payments to the Developer.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

4. EXTENSIONS TO PLANNED DEVELOPMENTS (continued)

(d) Underground Extensions

The Company will construct 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 6. Relocations and Conversions of Facilities. The Developer must provide, at their expense, all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires.

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.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(a) Applicant Built Line Extensions (continued)

(3) Advance for Design, Specifications, Material Standards and Inspections (continued)

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.

(5) Transfer of Ownership

Upon approval of the construction, the Company will assume ownership of the Extension. The Applicant must provide the Company unencumbered title to the 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.(m). in this Regulation.

(7) Contract Minimum Billing

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph 1.(b) in this Regulation.

(8) Deficiencies in Construction

If, within 24 months of the time the Company energized the Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency.

(9) Line Extension Value

The Company will calculate the value of an Extension using its standard estimating methods. The Company will use the 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.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(b) Deduct Service

The Company may, in lieu of a Line Extension, provide service to a new Customer (Deduct Customer) through utilization of the electrical facilities owned, operated and maintained by an existing Customer (Facilities Owner) provided that the Deduct Customer, the Facilities Owner and the Company each agree with the service arrangement and enter into a written agreement, referred to as a deduct agreement, that specifies the terms of the service delivery and is consistent with the terms of this Subsection b.

Beginning January 16, 2019, new Deduct Service installations are only allowed where the Facilities Owner provides service to the Deduct Customer at or below 34.5 kV, and only:

1. As a temporary expediency to provide service for five years or less; or
2. In Remote Service locations where the length of a Line Extension from the Company to the Deduct Customer will exceed one mile and the cost will exceed seven times the Deduct Customer's estimated annual revenue.

The Deduct Customer shall bear the risk that it may be unable to obtain service in the event the deduct agreement is terminated, service to the Facilities Owner is terminated, or the Facilities Owner is unable to provide service through use of its electrical facilities for any reason. In the event the Deduct Customer is no longer able to obtain deduct service, and/or at the expiration of the five-year temporary period, the Deduct Customer may reinstate service in accordance with the provisions of a Line Extension as provided in this Regulation.

The Deduct Customer will be billed by a separate meter on a retail rate schedule applicable to the service the Deduct Customer is receiving. The Deduct Customer shall construct, own, operate and maintain: all equipment necessary to receive service from the electrical facilities owned by the Facilities Owner; a Company approved metering point; and communication for remote meter reading. The deduct-meter will be Company owned using an approved revenue metering package.

With the addition of the Deduct Customer, the Facilities Owner's meter measures the usage of both of them, thus is a master meter. The Facilities Owner's usage shall be calculated by subtracting the Deduct Customer's usage from the Facilities Owner's usage as metered by the master meter. Under no circumstances is the Facilities Owner to sub-meter or otherwise charge the Deduct Customer for the electrical energy delivered through the Facilities Owners facilities, or for any other charge that is based on the amount of the Deduct Customer's energy use. However the Facilities Owner may enter into a maintenance agreement with the Deduct Customer for its reasonable costs incurred to maintain the electrical facilities used to deliver service to the Deduct Customer.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(b) Deduct Service (continued)

This Section 5(b) applies only to Customers or situations in which no existing end-use entity is receiving Deduct Service or similar services from a Customer as of January 16, 2019, and does not modify any existing agreements, arrangements or relationships for Deduct Service or similar services offered by existing Customers.

(c) Duplicate Service Facilities

The Company will furnish Duplicate Service Facilities if the Customer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Customer also must pay Facilities Charges for the Duplicate Facilities for as long as service is taken, but in no case less than five years.

(d) 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.

(e) Highly Fluctuating Loads

The Company will furnish facilities for Highly Fluctuating Loads as defined in Regulation No. 2 of this Tariff, provided that the Applicant agrees to advance to the Company the estimated installed cost of such facilities over the cost of facilities which the Company, in its sole discretion, would otherwise provide. The Applicant shall also pay a Contract Minimum Billing as long as service is taken but in no case less than five years. If load fluctuations become a detriment to other Customers, the Company may modify the facilities and adjust the advance and the Contract Minimum Billing.

(f) Non-residential Remote Loads in Isolated Locations

The Company will furnish facilities for Remote Service, as defined in Regulation No. 2 of this tariff, for non-residential loads under the terms of this Regulation No. 12. However if the cost to provide service to the point of delivery is more than seven times the estimated annual revenue from the remote Customer, the facilities charge will continue for as long as service continues unless and until the load is no longer distant nor isolated.

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

5. EXTENSION EXCEPTIONS (continued)

(g) Temporary Service

- (1) For Temporary Service requests requiring only a service loop connection and where there are 120/240 volt facilities of adequate capacity available, the Customer shall pay the connect and disconnect charge specified in Schedule 300.
- (2) For all other Temporary Service requests the Customer 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.
- (3) The Customer 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.
- (4) If a Customer takes Temporary Service continuously for 60 consecutive months, the Company will classify the Extension as permanent and refund any payment the Customer made over that required of a permanent Customer. The Company will not refund the Facilities Charges.

6. RELOCATIONS AND CONVERSIONS OF FACILITIES

If requested by an Applicant or Customer, and performance of the request is feasible, the Company will: relocate distribution voltage facilities on to, or adjacent to, the Customer's premises; and/or, replace existing overhead distribution facilities with comparable underground (overhead to underground conversion). If existing easements are insufficient for the new facilities, the Applicant or Customer is responsible for obtaining new easements. Substation facilities and transmission voltage facilities will be relocated at the discretion of the Company.

Advances for relocations and conversions are not refundable. The Company is not responsible for allocating costs and responsibilities among multiple Applicants.

(a) Relocations

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

(continued)

ELECTRIC SERVICE REGULATION NO. 12 - Continued

6. RELOCATIONS AND CONVERSIONS OF FACILITIES (continued)

(a) Relocations (continued)

(2) The estimated salvage value of the removed facilities.

(b) Overhead to Underground Conversions

For overhead to underground conversions, the new underground system must not 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) 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 (b) 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

(3) Authorizes the Company to discontinue overhead service when it has completed construction of the underground facilities.

7. CONTRACT ADMINISTRATION CREDIT

When a Line Extension includes a refundable advance, a Customer may waive all refunds and receive the Contract Administration Credit specified in Schedule 300. The Customer's choice to receive the Contract Administration Credit must be made at the time the Extension advance is paid.