

ELECTRIC SERVICE REGULATION NO. 12**STATE OF IDAHO**

Line Extensions

1. CONDITIONS AND DEFINITIONS

- (a) **Contracts** -- Before building an Extension, the Company may require the Applicant to sign a contract. Where a tenant occupies the service location, the Company may require the property owner to sign the contract.
- (b) **Contract Minimum Billing** -- The Contract Minimum Billing is the greater of: (1) the Customer's monthly bill; or (2) 80% of the Customer's monthly bill plus the Facilities Charges. Customers on a seasonal rate receive an annual Contract Minimum Billing of the greater of (1) the Customer's annual bill; or (2) 80% of the Customer's annual bill plus the Annual Facilities Charge. The Annual Facilities Charge is twelve (12) times the Facilities Charges. Any Contracted Minimum Billings shall begin upon the date service is first delivered or 30 days after the completion of the extension whichever occurs first, as determined by the Company, unless a later date is mutually agreed upon. Subsequent Customers shall also pay the Contract Minimum Billing as specified in Regulation 3.
- (c) **Engineering Costs** -- The Company includes designing, engineering and estimating in its Extension Costs. The Company will provide these services at no charge unless, in the Company's judgment, it determines the extension is large, complex or speculative. For large, complex or speculative Extensions, the Applicant or Customer must advance the Company's estimated Engineering Costs, but not less than the minimum specified in Schedule 300. The Company will apply this advance payment to its Extension Costs. If the Extension Allowance exceeds the Extension Costs, the Company will refund the excess up to the amount of the Applicant's or Customer's advance.

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1. CONDITIONS AND DEFINITIONS (continued)**(c) Engineering Costs -- (continued)**

If the Applicant or Customer requests changes that require additional estimates, they 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 this payment.

(d) Extension -- A branch from, or a continuation of, a Company owned transmission or distribution line where a line has not been removed, at customer request, within the last five (5) years. An extension may be single-phase, three-phase, a conversion of a single-phase line to a three-phase line, the provision of additional capacity in existing lines, substations or other facilities, or addition of new distribution or transmission facilities. The Company will own, operate and maintain all Extensions made under this regulation.**(e) Extension Allowance --** The Extension Allowance is the portion of the Extension that the Company provides or allows 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 include 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 overheads.**(g) Extension Limits --** The provisions of this regulation apply to Line Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct Line 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 obtaining rights-of-way, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the applicant's request, or non-standard construction requirements.

Examples of limited revenues include, but are not limited to, jobs where the line extension cost is high relative to the revenue, speculative loads and service to loads that will not have permanent ongoing revenue.

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1. CONDITIONS AND DEFINITIONS (continued)

- (h) **Facilities Charges** -- The Facilities Charges are those costs associated with the ownership, operation and maintenance of facilities built to provide service and are in addition to rate schedule billings. Schedule 300 specifies the Facilities Charges.
- (i) **Mixed Use** -- Refers to an Extension request with both residential and non-residential loads. Shared Extension costs are allocated to residential and non-residential proportional to their respective loads to the total load on the shared facilities. The provisions for Residential Extensions will be applied to the residential share of the costs and the provisions for Nonresidential Extensions will be applied to the nonresidential share of the costs.
- (j) **Permanent Service** -- Service to Customers where the Company is assured of continued use for more than five years, unless a contract specifies otherwise.
- (k) **Refunds** -- An Applicant who paid a refundable advance on an Extension, acquired right-of-way, and/or provided labor and material on an underground Extension, is eligible for up to four refunds during the first five (5) years. Within that five (5) year period the Applicant may waive any refund that is less than 20% of the Applicant's total fund base amount in order to accept four (4) refunds offering greater value. An Applicant is not eligible for refunds from future Extension applications from themselves.

The refund base amount (refundable advance) on an Applicant's advance are those Extension costs that meet the eligibility criteria of an Extension Allowance. This occurs when the eligible Extension costs exceed the maximum potential allowance. The refund base amount for Applicant acquired right-of-way will be determined by using the Company's standard right-of-way costing. For private property this is a percentage of the right-of-way land value as determined from the county assessor's property land value. Where there are multiple right-of-way segments, the refund will be determined using an average of the costs. The refund base amount for Applicant provided labor and material on an underground Extension will be determined by applying the Company's average costs for standard trenching, conduits and vaults (equipment foundations) with footages and sizes as per the Company's design.

Advances, right-of-way, labor, and material are not refundable if there is an allocation based on Applicant demand. The Applicant pays and provides their share and the Company pays and provides the remainder.

For non-waived refunds the additional Applicants must pay the Company, prior to connection, as provided in the section for the original Applicant. The Company will refund such payments to the Applicant(s) who paid the refundable advance, acquired right-of-way, and/or provided labor and material on an underground Extension. The Company will not collect from additional Applicants any portion of a waived refund.

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1. CONDITIONS AND DEFINITIONS (continued)

An Applicant to whom a refund is due, but who the Company has failed to identify or has been unable to locate, has 24 months from the connection of the additional Applicant to request their refund.

(l) Restrictions -- The Company's Extension of facilities is subject to restrictions imposed during war or other emergencies, by the laws of the United States, the State of Idaho, by executive and administrative proclamations, by orders or regulations of the Commission or by any lawful requirement of a governmental body.

(m) Routes, Easements and Rights-of-Way -- The Company will select the route of an Extension in cooperation with the Applicant. The Applicant must pay all costs, including renewal costs, of obtaining complete, unencumbered, rights-of-way, easements, or licenses to use land, and for any preparation or clearing the Company may require. Any required easements will be prepared on Company-provided forms. If requested by the Applicant, the Company will assist in obtaining rights-of-way, easements or licenses as described above at the Applicant's expense.

(n) Regulation Previously in Effect -- Regulation changes do not modify existing Extension contracts. If a Customer advanced funds for an Extension under a regulation or a contract previously in effect, the Company will make refunds for additional Customers as specified in the previous regulation or contract.

(o) Service Conductors -- The secondary-voltage conductors extending from the pole line, the underground secondary-voltage main, a secondary-voltage transformer, or a secondary-voltage switch cabinet to the Point of Delivery.

2. RESIDENTIAL EXTENSIONS**(a) Standard Residential****(1) Extension Allowances**

The Extension Allowance for a permanent residential application in a planned development where secondary voltage service has been provided to the lot line by the developer, and only a service and meter is required, is \$550 per residence. The Extension Allowance for all other permanent residential applications is \$1550 per residence. The Extension Allowance for upgrades necessitated by additional load is \$550 if just the service requires an upgrade, and \$1550 if secondary or the transformer require upgrading, if the Customer is responsible for the upgrade as given in section 2(d) Transformation Facilities.

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2. RESIDENTIAL EXTENSIONS**(a) Standard Residential (continued)****(2) Additional Customers, Advances and Refunds**

A Customer that pays for a portion of the construction of an Extension, acquires right-of-way, and/or provides labor 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 five (5) years following construction of an Extension for up to four (4) additional Applicants as given in section 1(k) Refunds. Each of these four (4) Applicants utilizing any portion of the initial extension, for which a refund was not waived, must pay the Company, prior to connect, 20% of the refund base amount of shared facilities. The Company will refund such payments to the initial Customer.

(b) Remote Service**(1) Extension Allowances**

Residential Customers defined as Remote Service Customers either at a single location or a group of locations, as in Unimproved Subdivisions, have the same Extension Allowance as Standard Residential Customers.

(2) Contracts

The Company will make Extensions for residential Remote Service Applicants according to the terms of a written contract. The contract will require the Applicant to advance the estimated cost of facilities in excess of the Extension Allowance. As long as the Applicant meets the definition of Remote Service they shall also pay a Contract Minimum Billing. Primary residences with revenues equal to or greater than average residential revenues will no longer be considered Remote when the density of such residences exceeds one residence per one-half mile of line. Facilities Charges will cease when Customers are no longer considered Remote.

The Contract Minimum Billing will not include Facilities Charges on the first one-half mile of line from the Company's existing distribution facilities. Where there are groups of remote facilities only the first one-half mile is exempt from Facilities Charges.

After the initial five (5) year contract period, Remote service Contract Minimum Billings also end upon termination of electric serve to the Customer's premises and Customer payment of all removal costs for inactive facilities.

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(b) Remote Service (continued)**(3) Additional Customers, Advances and Refunds**

The initial Customer that pays an advance for a portion of the construction of an Extension, acquires right-of-way, and/or provides labor 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 five (5) years following construction of the Extension for up to four (4) additional Applicants as given in section 1(k) Refunds. Each of these four (4) Applicants utilizing any portion of the initial extension, for which a refund was not waived, must pay the Company, prior to connection, 20% of the refund base amount of shared facilities. The Company will refund such payments to the initial Customer.

Additional Applicants who pay an advance that is refunded to a Remote Service Customer are also responsible for the Facilities Charges, if any, associated with the facilities for which the refund was made. They must also pay the estimated cost of facilities for their extension exceeding their Extension Allowance and are responsible for the Facilities Charges on their extension in accordance with section 2(b)(2) Contracts.

(c) Three Phase Residential Service

In addition to other applicable charges, where three phase residential service is requested, the Applicant shall pay the difference in cost between single phase and three phase service.

(d) Transformation Facilities

When an existing residential Customer adds load, or a new residential Customer builds in a subdivision where a secondary service connection point has been installed at the lot line as provided under section 4(b) of this regulation, and the cumulative loads exceed the existing transformer's, service conductor's or other equipment's rated design capacity:

- (1) The facility upgrade shall be treated as a standard line extension if Customer's demand exceeds 25 kVA, or if the facilities only serve that Customer.
- (2) The facility upgrade shall be treated as a system improvement and not be charged to the Customer if the Customer's demand does not exceed 25 kVA and the facilities are shared by two (2) or more customers.

Upgrades and modifications to correct service quality issues are done at the expense of the Customer causing the service quality issue.

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2. RESIDENTIAL EXTENSIONS (continued)

(e) Underground Extensions

The Company will construct underground Extensions when requested by the Applicant or if required by local ordinance or conditions. In addition to the requirements of the preceding sections, 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.

For conversion of any existing overhead facilities to underground, the terms of Section 6. Relocation or Replacement of Facilities apply.

3. NONRESIDENTIAL EXTENSIONS

Applicant loads of a speculative nature or of questionable permanency either in duration or size of load that exceed the Company's engineering loading limits for one circuit at the local primary distribution voltage shall take delivery at the locally available transmission voltage (at or above 46,000 volts).

(a) Extension Allowances – Delivery at 46,000 Volts and above

The Company will grant Customers taking service at 46,000 volts or greater an extension allowance of the meter, current transformers and potential transformers necessary to measure the Customer's usage. Other than the extension allowance, the Customer is subject to the same Extension provisions as a Customer who takes service at less than 46,000 volts.

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

(1) Less than 1,000 kVA

The Company will grant Nonresidential Applicants requiring less than 1,000 kVA an Extension Allowance equal to nine (9) times the estimated average 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 (5) years. Remote Service customers must pay a Contract Minimum Billing for as long as service is taken, but in no case less than five (5) years, nor more than 30 years.

(2) 1,000 kVA or Greater, but less than 25,000 kVA

The Company will grant Nonresidential Applicants requiring 1,000 kVA or greater, but less than 25,000 kVA, an Extension Allowance equal to nine (9) times the estimated average monthly revenue the Applicant will pay the Company. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

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(2) 1,000 kVA or Greater, but less than 25,000 kVA (continued)

The Customer must pay a Contract Minimum Billing for as long as service is taken, but in no case less than five (5) years, nor more than thirty 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

Customers requiring 25,000 kVA or greater will be required to take service delivery at 46,000 volts or greater and will be subject to the same Extension provisions as all Customers requiring 46,000 volts or greater.

(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 as a result of the load increase. 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.

(c) Additional Customers, Advances and Refunds

For facilities that a Customer pays for a portion of a Line Extension upgrade, based on the ratio of their new load to the available capacity and the Company pays for the remainder, there are no refunds. However during the first five (5) years following construction of the Line Extension upgrade, each of the next four 1,000 kVA or greater Applicants utilizing these facilities must pay the Company, prior to connection, their proportionate share of the upgrade costs.

Otherwise a Customer that pays for a portion of the construction of an Extension, acquires right-of-way, and/or provides labor and material on an underground Extension, may receive refunds if additional Customers connect to the Extension. The Customer is eligible for refunds during the first five (5) years following construction of an Extension for up to four (4) additional Applicants as given in section 1(k) Refunds. Each of these four (4) Applicants utilizing any segment of the initial Extension, for which a refund was not waived, must pay the Company, prior to connection, a proportionate share of the refund base amount of the shared facilities. The Company will refund such payments to the preceding Customer(s).

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

Where:

A = [Shared footage of line] x [Average cost per foot of the line]

B = Cost of the other shared distribution equipment, if applicable

C = [New additional connected load]/[Total connected load]

The Facilities Charges of refunds are re-allocated to the Applicant paying the refund.
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.3. NONRESIDENTIAL EXTENSIONS (continued)

(d) 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 recorded and billed Customer demand in the most recent 36 months, unless contract provisions providing for greater demand are less than 36 months old.

(e) Underground Extensions

The Company will construct underground Extensions when requested by the Applicant or if required by local ordinance or conditions. For underground, in addition to the preceding sections, 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 the Applicant's property to provide for additional service reliability or for future development.

For conversion of any existing overhead facilities to underground, the terms of Section 6. Relocation or Replacement of Facilities apply.

(f) Other Requirements

When the Extension is to property that is not part of an improved development, the Company may require the Applicant to pay for the line Extension within or along side Applicant's property as part of installing a loop feed or to provide for future development.

(g) Street Lighting

The Extension Allowance to street lights taking service under Rate Schedule 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 street lighting.

4. EXTENSIONS TO NON-RESIDENTIAL AND RESIDENTIAL PLANNED DEVELOPMENTS

(a) General

Planned developments, including subdivisions, commercial parks and industrial parks, are areas where groups of dwellings or buildings are planned to be constructed at or about the same time.

(1) Improved Planned Developments

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 (5) years.

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(a) General (continued)**(2) Unimproved Planned Developments**

Unimproved planned developments are those where the developer has not contracted with the Company to install facilities to serve each lot before there are actual Applicants for service. Applicants for service in an unimproved development will receive service under the provisions for residential and non-residential extensions, but with the design and installation of the extension within the unimproved development including accommodation for future loads on platted lots along the route of the extension.

(b) Allowances and Advances for Improved Planned Developments

For residential developments the Company will provide the Developer an Extension Allowance of \$1000 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. The Developer must pay an advance for all costs in excess of the allowance. Service to dwellings on the lots will be provided under the provision of section 2. Residential Extensions.

For nonresidential 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. Nonresidential Extensions.

For both residential and nonresidential developments the Company may require the Developer to pay for line Extensions to, within and alongside their development as part of installing a loop feed or to provide for future development.

(c) Refunds

The Company will make no refunds on Developer advances, Developer acquired right-of-way, and/or Developer provided labor 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 labor 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 refunds during the first five (5) years following construction of the Extension for up to four (4) 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 Developer's refund base amount for the shared facilities. The Company will refund such payments to the Developer.

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(c) Refunds (continued)

For facilities that a Developer pays a portion of the cost based on the ratio of their new load to the available capacity, and the Company pays the remainder, there are no refunds.

(d) Underground Extensions

The Company will construct underground Extensions when requested by the Developer or required by local ordinances or conditions. The Developer must provide, at their expense, all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires.

For conversion of any existing overhead facilities to underground, the terms of Section 6. Relocation or Replacement of Facilities of this regulation apply.

5. EXTENSION EXCEPTIONS**(a) Applicant Built Line Extensions****(1) General**

An Applicant may contract with someone other than the Company to build a Line 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 Line 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 Line 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 its actual costs 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 Line Extension. If the actual costs are less than the Applicant's advance, the Company will refund the difference.

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

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

(4) Construction Standard

The Applicant must construct the Line 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 Line Extension.

(5) Transfer of Ownership

Upon approval of the construction, the Company will assume ownership of the Line Extension. The Applicant must provide the Company unencumbered title to the Line 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 Line Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency. At its discretion, the Company may require that the Applicant provide a faithful performance bond before the Applicant begins construction.

(9) Line Extension Value

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

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5. EXTENSION EXCEPTIONS (continued)**(b) 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 (5) years.

(c) Emergency Service

The Company will grant Applicants requesting Emergency Service an Extension Allowance equal to the nine times the estimated average 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 Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five (5) years.

(d) Highly Fluctuating Loads

The Company will furnish facilities for Highly Fluctuating Loads as defined in Regulation 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 (5) years. The Company reserves the right, should the effect of load fluctuations become in the Company's sole judgment a detriment to service to other Customers, to provide or require the Customer to provide corrective facilities. Where the Company provides such facilities the Customer shall pay the cost of all such facilities plus the associated Contract Minimum Billing.

(e) Nonresidential Remote Loads in Isolated Locations

The Company will furnish facilities for Remote Service, as defined in Regulation No. 2, for nonresidential loads under the terms of this tariff. However if the cost to provide service to the point of delivery is more than five times the estimated annual revenue from the remote nonresidential Customer, the Contract Minimum Billing will continue for as long as service continues unless and until the load is no longer distant nor isolated. An isolated location is one where additional development is unlikely due to geographical constraints.

(f) 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.

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- (f) **Temporary Service** (continued)
- (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.
- (g) **Line Capacity in Excess of that Required**
If the Company desires to construct lines having a larger capacity or more expensive type of construction than is practical under the circumstances or necessary in accordance with sound engineering standards and practices to supply the energy requirements of Customers who obtain service in accordance with this regulation, the cost of construction of that additional line capacity shall be borne completely by the Company and not be considered in determining the Contract Minimum Billing or advances made by Applicants for service.

6. RELOCATION OR REPLACEMENT OF FACILITIES

- (a) **Relocation of Facilities**
If requested by an Applicant or Customer, and adequate clearances can be maintained and adequate easements/rights-of-way can be obtained, the Company will: relocate distribution facilities on to, or adjacent to, the Customer's premises; and/or, replace existing overhead distribution facilities with comparable underground. 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.

For overhead to underground relocations (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 Extension; 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 plus accrued depreciation of the facilities to be removed.

This Advance is not refundable. The Company is not responsible for allocating costs and responsibilities among multiple Applicants.

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6. RELOCATION OR REPLACEMENT OF FACILITIES (continued)**(b) Local Governments**

When required by a governmental entity in accordance with Idaho Code 50-2501 to 50-2523, the Company will replace existing overhead with underground distribution facilities provided the entity pays the Company in accordance with paragraph **6.(a) Relocation of Facilities**, and provided the entity adopts an ordinance creating an underground district requiring:

- (1) All existing overhead communication and electric distribution facilities be removed;
- (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 ALLOWANCE

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