



Black Hills Power, Inc.  
Rapid City, South Dakota

## SOUTH DAKOTA ELECTRIC RATE BOOK

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Section No. 5  
Second Revised Sheet No. 1  
Replaces First Revised Sheet No. 1

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### GENERAL RULES AND REGULATIONS COVERING ELECTRIC SERVICE BLACK HILLS POWER, INC.

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### 100 GENERAL

#### **101 – GENERAL STATEMENT OF PURPOSE**

These rules and regulations are designed to govern the supply of electric service by Black Hills Power, Inc. and the taking of electric service by the customer to provide the customer the greatest practical latitude in the use of electric service consistent with good business practices and safety procedures. These rules, regulations and conditions of service in no way supersede or modify any general rules or lawful orders of any Regulatory Body. If there is any conflict, it shall be understood that the standard rules and regulations and the lawful orders of the Regulatory Body shall control. If these rules and regulations in any way conflict with the filed tariffs of the Company, it shall be understood that the tariffs shall apply. (C)

#### **102 – APPLICATION OF RULES AND REGULATIONS**

These rules and regulations shall apply to any and all electric service supplied by Black Hills Power, Inc. to any customer. (C)

##### **102.1 – INTENT OF RULES AND REGULATIONS**

These rules and regulations are intended to promote safe and adequate service to the public and to provide uniform applications of rates.

##### **102.2 – ALTERING OR AMENDING**

The adoption of these rules and regulations shall in no way preclude the Company from altering or amending them or from making such modification with respect to their application as may be found necessary to meet exceptional conditions subject to approval by the Commission.

##### **102.3 – RESPONSIBILITY UNDER THE LAW**

These rules and regulations shall in no way relieve the Company or the customers of any of its duties or responsibilities under the law.

#### **103 – DEFINITIONS**

**103.1** “Company” means Black Hills Power, Inc. (C)

**103.2** “Customer” means any person, partnership, firm, association, corporation or any agency of the Federal, state or local government being supplied, or which can be supplied, with electric service by Black Hills Power, Inc. (C)



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### 103 – DEFINITIONS (*continued*)

- 103.3** “Regulatory Body” means the government agency legally constituted and vested with the authority to regulate the Company’s service and/or rates.
- 103.4** “Electric Service” means the supplying of electric power and energy, or its availability irrespective of whether any electric power or energy is actually used.
- 103.5** “Point of Delivery” means the end of the Company’s service drop, or the point where the Company’s wires are joined to the customer’s service entrance unless otherwise specified in the customer service agreement.
- 103.6** “Customer Installation” means, in general, all wiring, appliances and apparatus of any kind or nature on customer’s side of the point of delivery (except Company’s meter installation) used or useful in connection with the customer’s ability to take electric service.
- 103.7** “Month of Billing Period” means an interval of approximately thirty (30) days between successive meter reading dates and not generally a calendar month.
- 103.8** “Service Agreement” means the agreement or contract between the Company and the customer pursuant to which electric service is supplied or taken.
- 103.9** “Notice” means unless otherwise specified, a written notification delivered personally or mailed by one party to the other at such party’s last known address, the period of notice being computed from the date of such personal delivery or mailing.
- 103.10** “Meter” means the meter or meters together with auxiliary devices, if any, constituting the complete installation needed to measure the power and energy supplied by the Company to any customer at a single point of delivery.
- 103.11** “Premises” means any piece of land or real estate, including building and other appurtenances thereon.
- 103.12** “Electric Plant” means all real estate, fixtures and property owned, controlled, operated or managed in connection with or to facilitate the production, generation, transmission, delivery or furnishing of electricity for light, heat or power.



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### 103 – DEFINITIONS (*continued*)

- 103.13** “Service Drop” –means the overhead wires, owned by the Company connecting Company’s distribution line to the customer’s service entrance conductors. (C)
- 103.14** “Service Lateral” –means the underground conductors between the secondary conductors (including any used at a pole, pedestal or transformer) and the first point of connection to the customer’s service entrance conductors. (C)
- 103.15** “Service Entrance Conductors” means (1) For underground, the conductors owned by customer between the point of connection with service lateral and the terminals of the service equipment. (2) For overhead, the conductors between the connection with the service drop and the terminals of the service equipment.
- 103.16** “Service Equipment” means the equipment, usually including a circuit breaker or fuses, located near the point of entrance of service entrance conductors.

### 200 SERVICE AGREEMENT

#### 201 – APPLICATION FOR SERVICE

A party desiring electric service must make application to the Company before commencing the use of Company’s service. Company reserves the right to require a signed application or written contract for service to be furnished. All applications and contracts for service shall be made in the legal name of the party desiring the service. Company may refuse or terminate service to any applicant for or user of service who fails or refuses to furnish information requested by Company for the establishment of a service account. Receipt and use of electric service in the absence of application or contract shall constitute the user a “customer” of the Company, subject to its rates, rules and regulations, and said user shall be responsible for payment of all services used.

Subject to its rates, rules and regulations, Company will continue to supply electric service until notified by customer to discontinue such service and customer will be responsible for payment of all service furnished to the date of such discontinuance.



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### 201.1 – CONTRACT PERIOD

The contract period of the service agreement shall be as indicated in the applicable rate schedule unless otherwise provided for in the service agreement.

### 201.2 – USE OF ELECTRIC SERVICE

Electric service supplied under a service agreement is for the customer's use within or upon the premises served and for the purpose designated in the service agreement and such service agreement is not transferable without the written consent of the Company.

### 201.3 – DEPOSITS

The Company may require from any customer or prospective customer a deposit intended to guarantee payment of current bills. This required deposit shall not be considered as an advance payment of bills for service to be rendered, but shall be held as security for payment of bills for service rendered and may be applied in payment of such bills only in the event service is discontinued.

The required deposit shall not exceed the amount of one-sixth (1/6) of the estimated annual bill. Simple interest shall be paid by the Company on the deposits at the rate prescribed by the applicable Regulatory Body for the time the deposit is held by the Company.

When the customer has received twelve (12) consecutive months of service with no requirement to disconnect for nonpayment and no more than two (2) disconnect notices have been issued, the deposit plus interest will be automatically refunded.

### 201.4 – DEFAULT OR BREACH OF SERVICE AGREEMENT

The Company, in addition to all other legal remedies, may terminate the service agreement or suspend delivery of service, for any default or breach of the service agreement by the customer. But, no such termination or suspension will be made by the Company without first giving the customer ten (10) days' written notice, except for extended periods as designated by the Commission, stating in what particular manner the service agreement had been violated. Failure of the Company at any time either to suspend delivery of service or to terminate the service agreement, or to resort to any other legal remedy or its adoption of either one or the other of such alternatives shall not affect the Company's right to resort to any such remedy for the same or any future default or breach by the customer. (C)



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### 202 – CUSTOMER CLASSIFICATION

Customers will be classified as follows:

#### 202.1 – URBAN CUSTOMER

An urban customer is any customer taking electric service within the corporate limits of any incorporated city or town served by the Company.

#### 202.2 – RURAL CUSTOMER

A rural customer is any customer taking electric service on a continuous basis outside the corporate limits of any incorporated city or town served by the Company.

#### 202.3 – RESIDENTIAL CUSTOMER

A residential customer is one using electric service for domestic purposes in space occupied as a single-family private dwelling unit supplied through one meter.

#### 202.4 – MUNICIPAL CUSTOMER

Any incorporated city or town taking electric service which is needed for and used in connection with the tax-supported operations of government shall be classified as a municipal customer.

#### 202.5 – GENERAL SERVICE CUSTOMER

A general service customer is one using electric service in the conduct of some business enterprise in space occupied and operated for commercial purposes, and is not eligible for service under any other customer classification.

#### 202.6 – INDUSTRIAL CUSTOMER

An industrial customer is one using electric service for the production of commerce through manufacturing, processing, refining, mining, or fabricating.



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### **300 SUPPLYING AND TAKING OF SERVICE**

#### **301 – SUPPLYING OF ELECTRIC SERVICE**

The undertaking of the Company to supply electric service shall be completed by the supplying of electric energy, under the applicable rate schedule at the point of delivery to the customer and according to rules prescribed by the applicable Regulatory Body.

Electric service will not be supplied to any customer if at the time of application of service the applicant is indebted to the Company for service previously supplied at the same or other premises until payment for such indebtedness has been made in full.

#### **302 – CONTINUITY OF ELECTRIC SERVICE**

The Company will use reasonable diligence to provide continuous electric service but does not guarantee a constant supply of electric energy and shall not be liable to customer for damage occasioned by delay or interruption of service caused by governmental or municipal action or authority, litigation, war, public enemies, vandalism, strikes, acts of God, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any Regulatory Body, Commission or tribunal having jurisdiction in the premises, or any cause the Company could not have foreseen or reasonably guarded against; provided, however, that the Company or customer as the case may be, shall be prompt and diligent in removing or overcoming the cause or causes of such delay or interruption of delivery or receiving electric service and nothing herein shall be construed as permitting the customer to refuse to receive service or the Company to refuse to deliver service after the cause of the delay or interruption has been removed.

In the event the Company is prevented from delivering electric service or any part thereof for any of the above reasons, the Company will not be bound to deliver power during such time and there will be a pro rata reduction in billing capacity or similar charges as provided for in the rate schedule under which the customer is receiving electric service. (C)

#### **303 – SUSPENSION OF ELECTRIC SERVICE FOR REPAIRS OR ALTERATIONS**

When necessary to make repairs or alterations to its electric plant, the Company may, without incurring any liability therefore, suspend electric service for such periods as may be necessary, and in such manner as to minimize inconvenience to the customer. The Company will attempt to notify any affected customers of an intentional interruption of service necessitated by ordinary maintenance of its service lines and related equipment.



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### 304 – USE OF ELECTRIC SERVICE

Electric energy purchased from the Company shall be for the sole use of the customer and shall be used by the customer only for the purpose specified in the service agreement and at the premises upon which the meter is located. The customer shall not sell, share with another or transmit off the premises any electric energy received from the Company except with written consent of the Company.

In no case may the customer extend or connect installations to lines across or under a street, alley, lane, court or avenue or other public or private space in order to obtain service for adjacent property through one meter. (C)

All equipment used by the customer shall be so operated and have such starting and performance characteristics that its use will not cause unusual voltage fluctuations or other disturbances on the Company's system.

### 305 – UNAUTHORIZED USE OF ELECTRIC SERVICE

In case of unauthorized remetering, sale, extension or other disposition of electric service, the Company may immediately discontinue the supplying of electric service to customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on the proper rate schedule and reimbursement in full made to the Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.

### 306 – AUXILIARY ELECTRIC SERVICE

Auxiliary, standby or supplemental electric service will not be supplied by the Company to a customer for use in conjunction with electric or mechanical energy from another source unless the rate schedule under which the customer is receiving service provides specifically therefore, or according to rules prescribed by the applicable Regulatory Body. For any violation of this rule, the Company reserves the right to discontinue all electric service and to remove its service connections.

### 307 – TEMPORARY SERVICE

Temporary service is defined as service to projects which for all purposes which from their very nature evidently will be of short duration.

A customer taking temporary service shall pay the regular rates applicable to the class or classes of service rendered for all energy used. In all cases initial billing for service fees will be charged and collected in advance.



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### 308 – INCIDENTAL SERVICE

Service continuously available through a permanent connection to provide power and energy for use by customer when such use is merely incidental to customer's operations and essentially for customer's convenience, for voltage or frequency control, for partial lighting of selected or limited areas, or for operation of controls, battery charges, starting devices, electric clocks or other equipment requiring relatively small quantities of energy as compared with customer's total energy usage, shall be defined as incidental service.

(C)

### 309 - CUSTOMER'S RESPONSIBILITY AND LIMITATION OF LIABILITY

The customer assumes all responsibility on customer's side of the point of delivery for the service supplied or taken, as well as for the electrical installations, appliances and apparatus used in connection therewith and shall save the Company harmless from and against all claims for injury or damages to persons or property occasioned by or in any way resulting from such service or use thereof on customer's side of the point of delivery. Customer shall install protective equipment with adequate fault current interrupting ability. The Company shall supply, when requested, information on fault capacity at the point of delivery.

In all other circumstances, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to computers and other electronic equipment and appliances, loss of business, or loss of production caused by any interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$500 or two times the charge to the customer for the service affected during the period in which such interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity occurs.

(N)

### 310 – RIGHT-OF-WAY

Customer shall, without compensation, make or procure satisfactory conveyance to Company of right-of-way for Company's lines necessary and incidental to the furnishing of service to customer and for continuing or extending said lines over and across the property owned or controlled by customer. The Company shall not be liable for damages involving the power line when such damages result from actions of parties other than the Company.

### 311 – ACCESS TO PREMISES

The duly authorized agents of Company shall have access during all reasonable hours to the premises of customer for the purpose of inspecting wiring and apparatus, inspecting, maintaining and repairing lines over and across said premises, removing or replacing Company's property, reading of meters and all other purposes incident to the supplying of service.

(C)

### 312 – LOCATION OF CUSTOMER'S SERVICE TERMINAL

Customer's service terminal is to be located at a point readily accessible to Company's distribution lines, such point to be determined by Company.



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### 400 CUSTOMER'S INSTALLATION

#### **401 – NATURE AND USE OF INSTALLATION**

All of customer's wires, apparatus and equipment shall be selected with the view of obtaining safety, good efficiency, good voltage regulation and the highest practicable power factor and shall be installed in accordance with standard practices. Customer shall install and maintain, on customer's side of point of delivery, suitable protective equipment as may be required by the Company for the protection of its service to other customers and may not employ or utilize any equipment, appliance or device so as to affect adversely Company's service to customer or to others. The Company's failure to require such equipment shall not operate to relieve customer from the obligation to utilize and comply with standard practices. Company may require compensating starters or other suitable starting devices for motors above ten (10) horsepower.

Individual single phase motors rated at 10 (ten) horsepower or less will ordinarily be permitted at any point where electric service is available.

Company will not provide three (3) phase for motors less than ten (10) horsepower unless three (3) phase service exists or with special approval of Company.

Customers and contractors contemplating the purchase and/or the installation of three (3) phase motor or any single phase motor larger than ten (10) horsepower, should obtain information from a Company representative relating to the character of service available at the address of such proposed installation.

All individual motors of ten (10) horsepower or over should be three (3) phase where service can be obtained by direct connection with existing three (3) phase secondary lines or a reasonable extension thereof.

Individual single phase motors larger than ten (10) horsepower or with locked rotor currents exceeding 120 amperes, will be permitted only upon written approval of the Company.

Installation of all motors fifty (50) horsepower or larger must receive written approval of the Company.



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When polyphase service is supplied by Company, customer will control the use thereof so that the load at the point of delivery will be maintained in reasonable electrical balance between the phases.

Installations of neon, fluorescent, mercury vapor lamps or tubes or other types of gaseous tube lamps or other devices having low power factor characteristics, should be equipped with corrective apparatus to increase the power factor of each unit or separately controlled group of units to not less than approximately ninety percent (90%) lagging.

### 402 – INSPECTION BY COMPANY

Company retains the right, but does not assume the duty, to inspect customer's installation at any time and will refuse to commence or to continue service whenever it does not consider such installations to be in good operating condition, but Company does not in any event assume any responsibility whatsoever in connection with such matters.

### 403 – CHANGES IN INSTALLATIONS

As Company's service drops, transformers, meters and other facilities used in supplying service to customer have a definite limited capacity, customer shall give notice to Company and obtain Company's consent, before making any material changes or increases in customer's installations. Company, as promptly as possible after receipt of such notice, will give its approval to the proposed change or increase, or will advise customer upon what conditions service can be supplied for such change or increase. Failure to secure Company's approval shall make customer liable for any damage to Company's facilities.

### 404 – REPAIRS TO CUSTOMER'S INSTALLATION

All repairs to customer's equipment and apparatus shall be the responsibility of the customer. It is the responsibility of the customer to determine whether their equipment and apparatus are suitable for operation at the type of service which they will receive from the Company. The responsibility of the customer regarding use of the service is not set aside by inspections or recommendations of the Company which are made as a courtesy to the customer or as a protection to the service to other customers.

(C)  
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### 405 – UNSAFE OR DISTURBING USE OF ELECTRIC SERVICE

The Company may refuse to render electric service or may withdraw same whenever the wiring or equipment of a customer is in an unsafe condition as defined by any governmental agency or is so designed or operated as to disturb the electric service to other customers. The connection of welding machines, X-ray equipment, motors with excessive starting currents and experimental electric devices to any electric service of the Company is expressly forbidden as disturbing to electric service, except where adequate protective devices approved in advance by the Company are installed and maintained by the customer in accordance with the Company's standards. If customer's installation of such equipment requires Company to install separate transformer capacity, the customer shall be billed on the applicable rate schedule for the service provided.

(C)



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If service has been refused or withdrawn because customer's service is deemed to be unsafe, said service will not be reestablished until customer is in compliance with authorized governmental agencies' safety and wiring requirements and said agency or agencies so inform the Company in writing.

### 500 COMPANY INSTALLATION

#### **500 – INSTALLATION AND MAINTENANCE**

Except as otherwise provided in these Service Regulations, in service agreements or rate schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, on customer's side of the point of delivery. Only Company's agents are authorized to connect Company's service drop to customer's service entrance conductors and to connect Company's meters.

#### **501.1 – INSPECTION**

The customer's wiring must conform to municipal or state requirements, whichever may govern, and to accepted modern standards as exemplified by city, state and national codes; and if an affidavit or certificate of inspection is required by state law, the same must be furnished.

#### **501.2 – STANDARD CONNECTION**

The ordinary method of connection between Company's distribution lines and customer's service entrance conductors will be by overhead wires. If customer shall desire to have connection made in any other manner, special arrangements will be made between customer and Company by which the connection will be made and maintained at customer's expense (see Section 800 LINE EXTENSIONS).



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### 501.3 – VOLTAGE, FREQUENCY AND PHASE

Electric service furnished will be alternating current, 60 hertz, single or three (3) phase, at one of the nominal standard voltages given below:

Secondary Voltage:

Single phase, 120 volt 2 wire, 120/240 volt 3 wire or 120/208 3 wire

Three phase, 240 volt 3 wire

Three phase, 4 wire 120/240 or 120/208 or 277/480 volt where available

Three phase, 480 volt 3 wire

Primary Voltage:

The voltage of the Company's nearest distribution line of adequate capacity as determined by the Company.

The nominal standard voltages shall be maintained so far as practical within the limits of ANSI 84.1 Voltage Ratings for Electric Power Systems and Equipment.

### 502 – PROTECTION BY CUSTOMER

Customer shall protect Company's wiring and apparatus on customer's premises and shall permit no one except Company's agents or persons authorized by law to inspect or handle same. In the event of any loss or damage to such property of Company or other person caused by or arising out of carelessness, neglect or misuse by customer or other unauthorized persons, the cost of repairing such damage shall be paid by customer or person causing such damage.

### 503 – CUSTOMER EXTENSIONS

The Company, at its own expense, makes extensions where the revenue therefrom is sufficient, in Company's opinion, to justify the necessary expenditure.

Where the Company cannot be assured that the business offered is of sufficient duration, where unusual expenditures are necessary to supply service because of location, size or character of installation, or where area requirements of Regulatory Bodies may control, the customer or customers shall make arrangements satisfactory to Company dependent upon the particular condition of each situation.



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### 504 – UNLAWFUL USE OF SERVICE

The Company may discontinue service to any customer without notice in advance and without terminating the agreement for service in the event fraudulent use of service is detected, or where a dangerous condition is found to exist on the customer's premises. In such event, the Company may require the customer to pay for such electric energy as the Company may estimate from available information to have been used but not registered by Company's meter and to increase the customer's deposit or payment bond before electric service is restored; and in addition thereto, the customer shall be required to bear all costs incurred by the Company for such protective equipment as in its judgment may be necessary. (C)

### 505 – ATTACHMENT TO COMPANY'S PROPERTY

The use of poles, wires, towers, structures or other facilities of the Company, by the customer or others for the purpose of fastening or supporting any radio or television equipment, or any wires, ropes, signs, banners or anything of similar nature, or the locating of same in such proximity to aforesaid property or facilities of the Company as to cause, or be likely to cause, interference with the supply of electric service, or dangerous condition in connection therewith, is prohibited, and the Company shall have the right forthwith to remove same without notice.

## 600 METERING

### 601 – METER INSTALLATIONS

The customer shall provide and at all times maintain on the premises to be supplied with electricity a readily accessible space for the installation of Company's meters or other devices necessary to supply electricity to the premises. The customer shall provide the necessary meter loop and meter board, constructed and installed in accordance with the Company's standards and in full compliance with all laws and governmental regulations applicable to the same. The relocation of any meter after it has been installed shall be done at the expense of the customer if done at customer's request. (C)

The Company will furnish and install without expense to the customer, meter and appurtenances at suitable places either outside on the building walls or inside the building at the discretion of the Company. Any equipment furnished by the Company shall remain its property and may be removed by it at any time after the termination of the service agreement, or upon discontinuance of electric service for any reason.



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### 602 – EVIDENCE OF CONSUMPTION

Unless proven to be inaccurate, the registration of Company's meter shall be accepted and received at all times and places as prima facie evidence of the amount of power and energy taken by customer.

### 603 – TESTS AND CHECKS

Company tests its meters and maintains their accuracy of registration in accordance with good practice and according to rules prescribed by the applicable Regulatory Body. On request of customer, Company will make a special test or check which will be done at the expense of the Company. If the customer requests another test before the expiration of a twelve (12) month period, the customer shall provide in advance of the test, the appropriate meter test deposit, that will be forfeited if the meter is found to be in error by less than two percent (2%), fast or slow.

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## 700 BILLING

### 701 – BILLING PERIODS

Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Non-receipt of bill by customer does not release or diminish the obligation of customer with respect to payment thereof.

### 702 – SEPARATE BILLING FOR EACH POINT OF DELIVERY

The use of service is metered separately at each point of delivery for each customer served. Whenever for any reason Company furnishes two or more meter installations for a single customer, or supplies service under a schedule which does not require a meter, each point of metering and/or point of delivery where no meter is required is considered as a separate service. A separate service agreement is required for each such separate service, except where the Company may, under special circumstances, waive this requirement.

### 703 – ADJUSTMENT FOR INACCURATE METER REGISTRATION OR BILLING

#### 703.1 – ADJUSTMENT OF BILLS WHERE METER IS FOUND IN ERROR

If any electric service meter tested is found to be more than two percent (2%) in error, either fast or slow, proper correction shall be made of previous readings for the period equal to one-half the time elapsed since the most recent test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the readings shall be adjusted from that date. The average error of a meter shall be defined as one-fifth the algebraic sum of (1) one times the error at light load, and (2) four times the error at a heavy load. Only the customer served by the electric service meter at the time of testing is eligible for a refund.

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If an electric service meter is found not to register or to register intermittently for any period, the Company shall make a charge for electricity used, but not metered, based upon amounts used under similar conditions during periods preceding or subsequent thereto, or during corresponding periods in previous years.

### 703.2 – ERROR IN RECORDING METER DATA

When a customer has been misbilled due to an error in recording meter data, the bills will be adjusted as follows:

- A. Underbilled: Proper and correct bills will be rendered for the period that the error can be ascertained to have been in effect but not exceeding one year, unless the date of the error can be fixed with reasonable certainty. Corrected bills will not be rendered to other than the present customer.
- B. Overbilled: Proper and correct bills will be rendered (and a credit given) for the period that the error can be ascertained to have been in effect but not exceeding one year, unless the date of the error can be fixed with reasonable certainty. Corrected bills will not be rendered to other than the present customer.

### 703.3 – INCORRECT APPLICATION OF THE RATE SCHEDULE

- A. Underbilled: Proper and correct bills will be rendered for the period that the error can be ascertained to have been in effect but not exceeding one year, unless the date of the error can be fixed with reasonable certainty. Corrected bills will not be rendered to other than the present customer.
- B. Overbilled: Proper and correct bills will be rendered (and a credit given) for a period that the error can be ascertained to have been in effect but not exceeding one year, unless the date of the error can be fixed with reasonable certainty. Corrected bills will not be rendered to other than the present customer.



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### 704 – DELINQUENT BILLS

Bills become delinquent if not paid within twenty (20) days of the date of the bill. Service may be discontinued upon ten (10) days written notice to the customer in the months of April through October and forty (40) days written notice to the customer in the months of November through March and per rules prescribed by the applicable Regulatory Body.

### 705 – CHARGE FOR RESTORING SERVICE

If service is discontinued for any reason herein mentioned, the customer may be required to reimburse the Company for all costs incurred by the Company in reconnecting service to said customer. Reconnection costs shall include all direct charges incurred while reconnecting service, plus an additional charge to cover the cost of administration and special accounting.

### 706 – SELECTION OF RATE SCHEDULE

The Company's rate schedules are designed for service supplied to customer on a continuous annual basis. Customer may elect to take service under any of the schedules applicable to such service. For initial service, Company will advise customer of the schedule which in its judgment is best adopted to customer's needs on an annual basis, but such advice must be based upon customer's statements as to customer's installation and requirements for service, and Company assumes no responsibility for the selection of the schedule made by customer. Rules applicable to specific schedules shall apply when customer desires service on other than a continuous basis.

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### 707 – PRORATION OF BILLS

For all billings, the charges will be prorated based upon a thirty (30) day billing period when the billing period is outside of the standard billing period of twenty-three (23) to forty (40) days.

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### 708 – ESTIMATED BILLING DUE TO UNREAD METERS

In the event it is impossible or impracticable to read customer's meter on the scheduled meter reading day, Company may render an "Estimated Bill." Company may render "Estimated Billings" to rural customers on a schedule basis, however, Company will render no more than three (3) estimated bills in consecutive order. Only in unusual cases, or when approval is obtained from a customer, shall more than three (3) consecutive estimated bills be rendered.



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### **709 - MASTER METERING**

All buildings, mobile home parks and trailer courts for which construction was begun after June 13, 1980, shall be metered separately for each residential or commercial unit, with the exception of hospitals, nursing homes, transient hotels and motels, dormitories, campgrounds, other residential facilities of a purely transient nature, central heating or cooling systems, central ventilating systems, central hot water systems and multiple occupancy buildings constructed, owned or operated with funds appropriated through the Department of Housing and Urban Development or any other federal or state government agency. Any existing multiple occupancy building receiving master metered service which is substantially remodeled or renovated for continued use as a multiple occupancy building, if such remodeling or renovation is begun after June 13, 1980 shall be individually metered, unless the building meets any of the exceptions listed above or unless the owner of such building demonstrates to the satisfaction of the Public Utilities Commission that conversion from master metering to individual metering would be impractical, uneconomical or unfeasible.

### **800 LINE EXTENSIONS**

Line extensions shall be administered in accordance with these rules.

### **801 - APPLICABLE**

This rule is applicable to all prospective permanent customers located within the Company's service area, providing the proposed line extension can be built from an existing distribution line of 24.9 kV or less. This rule is not applicable to temporary service.

### **802 - DEFINITIONS – GENERAL CONSTRUCTION POLICY**

1. A line extension is herein defined as a branch from, or a continuation of, an existing Company-owned distribution line. A line extension from customer-owned lines will require special agreements. A line extension may be either single or three phase or may be the conversion of an existing single phase line to three phase with or without further extension of the three phase line.



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2. This section of the rules and regulations sets forth the terms and conditions under which the Company will construct and extend its facilities to serve new loads and replace, relocate, or otherwise modify its distribution facilities.
3. Applicant is the individual(s) who requests a line extension of the Company. (C)
4. Developer is an Applicant requesting a line extension to serve two (2) or more contiguous building sites.
5. Revenue shall be the estimated annual revenue which the Company expects to receive from the Applicant as determined by the terms of Sections 803.1.A and 802.2.E of this rule.
6. Actual Revenue is the sum of the actual payments made to the Company by the Applicant for electrical service for the account in question per the line extension agreement less the applicable sales tax.
7. A Permanent Year-Round Dwelling is a residence which includes a well or water hook-up, sewer or septic-system, automatic heating system and is otherwise likely to be inhabited year-round.
8. Rate Schedule is the Company's filed tariff for which the Applicant/customer qualifies. Qualification will be solely determined by the Company and may change if the Applicant/customer changes their expected electricity consumption.
9. Line Extension Allowance is the estimated construction cost which the Company will incur without charge to the Applicant.
10. Advance Deposit is the payment required of the Applicant prior to line extension construction for any estimated construction cost in excess of the Line Extension Allowance.
11. No refunds will be made in excess of the refundable Advance Deposit, and deposits shall bear interest only as specified herein. Refunds, where applicable, will be made in accordance with the terms stated herein.



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12. Each line extension shall be a separate, distinct unit and any further extension therefrom shall have no effect upon the agreements under which such extension is constructed.
13. All construction of line extensions shall conform to the Company's standards as well as applicable national, state, and local electrical codes.
14. In all cases where, in the opinion of the Company, its investment in facilities appears extraordinary or unusual, and where extensive repairing or building of any facilities is necessary to accommodate the customer or group of customers, making application for service, the right is reserved to require the customer, or group of customers, to be served to execute a contract for a definite period of service, and to otherwise protect the Company against possible losses. Prospective customers entering into a venture, which is considered by the Company as a poor risk for the investment of its capital, may be required to finance the entire additional investment needed to serve the customer.
15. The title to every line extension shall at all times remain with the Company. The Company reserves the right at all times to add customers to an extension, and to make new extensions to any existing extension, under the provisions of these rules, without procuring the consent of any customer (Applicant) or customers contributing to the original construction costs.
16. Payment shall be made prior to the start of such construction. Where a group of customers will be served by a single extension, applicable charges shall be allocated in an equitable manner by the Company.

### **803 – LINE EXTENSION POLICY**

#### **803.1 – RESIDENTIAL SERVICE**

Company Financed Extensions – For each Permanent Year-Round Dwelling in place or under construction, the Company will Construct a line extension without charge to the Applicant if the estimated construction cost does not exceed four (4) times the following standard annual revenue amounts (the "Line Extension Allowance") for the residential dwelling to be served under the applicable Rate Schedule: (C)



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<u>RATE SCHEDULE</u>	<u>ANNUAL REVENUE STANDARD</u>	<u>LINE EXTENSION ALLOWANCE</u>
Regular Residential Service	\$ 500	\$2,000
Total Electric Residential Service	\$ 750	\$3,000
Residential Demand Service	\$ 1,250	\$5,000

For permanent dwellings which, in the Company's opinion are not designed and constructed to be inhabited year-round (at least nine months each year), the total Line Extension Allowance is \$1,000 or the Applicant may sign a seasonal use agreement and qualify for the applicable Permanent Year-Round Dwelling Line Extension Allowance.

The Rate Schedule shall be determined from the Applicant's representation. If at any time it is determined that the Applicant has misrepresented electrical service, the Company shall redetermine the applicable Line Extension Allowance. The redetermination may result in a charge to the Applicant, if the Company's estimated construction cost exceeds the correct Line Extension Allowance.

- B. Charges – Line extensions which are estimated to cost in excess of the Line Extension Allowance will require an Advance Deposit for all excess cost. The line extension construction cost estimate will be based on the following standards:

DISTRIBUTION LINE

Single Phase (1Ø) Overhead or Underground = \$3.00/foot  
Three Phase (3Ø) Overhead or Underground = \$9.00/foot

TRANSFORMERS

Single Phase (1Ø) Overhead = \$ 900.00  
Single Phase (1Ø) Underground = \$1,700.00



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### SWITCHING MODULES

Single Phase (1Ø) Underground = \$1,500.00  
Three Phase (3Ø) Underground = \$3,800.00

### SECONDARY SERVICE

Overhead to Overhead = \$ 100.00  
Underground to Underground = \$ 300.00  
Overhead to Underground = \$ 400.00

- C. Measurement – The length of any line extension will be measured along the route of the extension from the Company's nearest facilities from which the extension can be made to the point of transformation of last pole. Should the Company for its own reasons choose a longer route or require system improvement as part of the extension, the Applicant will not be charged for the additional distance or costs, however, if the Applicant requests special routing of the line extension, the Applicant will be required to make in advance of construction a non-refundable contribution to pay for the additional cost resulting from the special routing.
- D. Refunds – The Applicant will be entitled to refunds of the Advance Deposit under two (2) separate and distinct calculations:
1. The Applicant may be entitled to a refund of any remaining Advance Deposit if additional line extensions are constructed from the electrical facilities that were partially financed by the Applicant. Only those lines extensions which connect directly with the facilities partially financed by the Applicant, without any intervening line extensions, will be considered when determining the Applicant's entitlement for a refund. The refund will be equal to the difference between the applicable Line Extension Allowance for the new Applicant and the estimated construction cost of the additional electric facilities. The Applicant will receive any applicable refund within thirty (30) days of the Applicant



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- contacting the Company regarding the completed construction of additional electric facilities. In addition, the Company will make a final refund determination four (4) years following the effective date of the Application and Agreement for Line Extension. Each contract year the Company will notify the Applicant by Certified Mail that a refundable deposit is outstanding and may be eligible for refund. Any refunded Advance Deposit shall not bear interest.
2. The Applicant may be entitled to a refund of any remaining Advance Deposit when four (4) years have passed from the effective date of the Application and Agreement, if the Company's Actual Revenue from the Applicant's account served during the first four (4) years by the line extension exceeds the Line Extension Allowance as originally determined and contracted for under Section 803.1.A. The amount eligible for refund to the Applicant shall be the amount by which Actual Revenue exceeds the Line Extension Allowance, if any. Refunds under this paragraph shall bear simple interest at the rate of seven (7) percent annually.

A Developer who has provided an Advance Deposit to extend electric service within a development will be entitled to a refund under 803.1.D.1 equal to the Line Extension Allowance of each new customer whose service is connected directly to the electric facilities that were partially financed by the Developer. A Developer will have their refund eligibility under 803.1.D.2 determined by the Actual Revenue received from the accounts established and directly served within the development as a result of the Developer's Application and Agreement for Line Extension.

Such refunds will be made only to the original Applicant if still receiving service at the same location. In no case shall the total refund to the Applicant exceed the amount of the Applicant's refundable Advance Deposit.

Any Advance Deposit not refunded to the Applicant as set forth above shall be retained and become the property of the Company.

### E. Residential Underground Extensions

1. The Company will:



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- a. Be responsible for the design and installation of facilities.
  - b. Install, maintain, and own all primary and secondary conductors, padmount transformers, related electrical equipment, and PVC on the pole, if required.
  - c. Cooperate in the joint use of trenches, where practical.
  - d. Design the underground distribution facilities for a front-lot feed (from the street) to the residences.
2. The Applicant will:
- a. Provide the necessary easements as specified by the Company.
  - b. Establish final grades and have sidewalks, curb and gutter, water, and sewer installed in the area prior to the installation of electric facilities.
  - c. Provide all trenching to the Company specifications, washed sand or approved bedding, conduit when required, and backfill or any other restoration work required.
  - d. The service lateral procedure will be as stated in 803.1.F.
- F. Residential Underground Service Laterals
1. For a new house or where present service is inadequate (defined as a service lateral that has insufficient capacity, bare conductors or bad tree conditions),  
  
The Applicant will:
    - a. Provide all trenching to the Company specifications, washed sand, or approved bedding, conduit when required, backfill, or any other restoration work required.



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- b. Provide a service lateral location to be mutually agreed upon. The service lateral shall be of the shortest distance possible and shall avoid placement under future construction, such as buildings, walls, fences, or other possible hazardous areas.
- c. Provide a Company-approved meter receptacle with conduit down to twelve (12) inches below final grade. (C)

The Company will:

- a. Install, maintain, and own the underground service lateral from the secondary system to the meter receptacle, including PVC on the pole if required.
2. For an existing house with adequate overhead service:
- a. Same as 803.1.F.1.
  - b. The customer will advance a non-refundable contribution equal to the estimated cost (as determined by the Company) of the new underground service and removal of existing overhead service. The Company will give due credit for the salvage value of the existing overhead line.

### 803.2 – COMMERCIAL OR INDUSTRIAL SERVICE

- A. Company Financed Extensions – For commercial or industrial service the applicable Line Extension Allowance shall be four (4) times the estimated annual Revenue as set forth at 803.2.E. The Company will construct, without charge to the Applicant, a line extension for which the estimated construction cost does not exceed the Line Extension Allowance. The estimated construction cost shall be determined by the Company.

If at any time it is determined that the Applicant has misrepresented the information concerning its estimated annual revenue, the Company shall redetermine the applicable Line Extension Allowance. If the redetermined Line Extension Allowance is exceeded by the original estimated construction costs, the Applicant shall make a deposit with the Company. (C)



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- B. Charges – Line extensions which are estimated to cost in excess of the Line Extension Allowance will require an Advance Deposit by the Applicant for all excess cost.
- C. Measurement – The length of any line extension will be measured along the route of the extension from the Company's nearest facilities from which the extension can be made to the point of transformation or last pole. Should the Company for its own reasons choose a longer route or require system improvement as part of the extension, the Applicant will not be charged for the additional distance or costs, however, if the Applicant requests special routing of the line extension, the Applicant will be required to make in advance of construction a non-refundable contribution to pay for the additional cost resulting from the special routing.
- D. Refunds – The Applicant will be entitled to refunds of the Advance Deposit under two (2) separate and distinct calculations:
1. The Applicant may be entitled to a refund of any remaining Advance Deposit if additional line extensions are constructed from the facilities that were partially financed by the Applicant. Only those Line Extensions which connect directly with the facilities partially financed by the Applicant, without any intervening line extensions, will be considered when determining the Applicant's entitlement for a refund. The refund will be equal to the difference between the applicable Line Extension Allowance for the new Applicant and the estimated construction cost of the additional electric facilities. The Applicant will receive any applicable refund within thirty (30) days of the Applicant contacting the Company regarding the completed construction of additional electric facilities. In addition, the Company will make a final refund determination four (4) years following the effective date of the Application and Agreement for Line Extension. Each contract year the Company will notify the Applicant by Certified Mail that a refundable deposit is outstanding and may be eligible for refund. Any refunded Advance Deposit shall not bear interest.
  2. The Applicant may be entitled to a refund of any remaining Advance Deposit when four (4) years have passed from the effective date of the Application and Agreement for Line Extension, if the Company's Actual Revenue during the first four (4) years from the Applicant's account(s) established under the Application and Agreement for Line Extension exceeds the original Line Extension Allowance. The amount eligible for refund shall be the amount by which Actual Revenue exceeds the Line Extension Allowance, if any. Refunds under this paragraph shall bear simple interest at the rate of seven (7) percent annually.

Such refunds will be made only to the original Applicant if still receiving service at the same location. In no case shall the total refund to the applicant exceed the amount of the Applicant's refundable Advance Deposit.

Any Advance Deposit not refunded to the Applicant as set forth above shall be retained and becomes the property of the Company.



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- E. Method of Estimating Revenue – The estimated annual revenue shall be computed by the Company by applying the appropriate Rate Schedule to the monthly kWh (and kVA or kW if a factor in the rate schedule) of twelve (12) consecutive months estimated use of the prospective customer. (C)
- F. Commercial Underground Extension Procedure
1. The Applicant(s) will:
    - a. Provide all trenching to the Company specifications, washed sand, or approved bedding, conduit when required, backfill or any other restoration work required.
    - b. For padmount transformer installations the Applicant will also provide:
      - 1) Transformer pad per Company specifications.
      - 2) Service entrance conductors from the padmount location to the service entrance equipment.
  2. The Company will:
    - a. Install, maintain, and own all conductors up to the point of connection to the service entrance conductors.
- A. Travel-Trailer Parks – Those used mainly for tourist business with no platted streets. The underground will be installed, owned, and maintained by the travel-trailer park owner.



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### 804 – LINE EXTENSION CONSISTENCY

All service laterals added to existing underground distribution will be underground. All primary line extensions from existing underground distribution will be underground unless the Company and existing customers agree that an overhead line extension would not violate the consistency of the electric distribution facilities constructed or expected to be constructed. The Applicant shall be required to make an advance non-refundable contribution for the additional estimated construction cost of the overhead line extension.

### 805 – ROUTES AND RIGHTS-OF-WAY

The route of a line extension shall be selected by mutual agreement of the Applicant and the Company. The Applicant shall, without cost to the Company, make or procure satisfactory conveyance to the Company of right-of-way for the Company's lines necessary and incidental to the furnishing of electric service to the Applicant and for continuing, upgrading or extending said lines over and across the property owned or controlled by the Applicant. The Applicant shall, without cost to the Company, furnish a cleared right-of-way, and also grants to the Company for maintenance purposes, the right, as the Company may see fit, to cut, trim, or remove from said right-of-way any brush, trees, stumps, or roots.

### 806 – LINE EXTENSION LIMITS

In no event shall the Company be required to construct any line extension which, in its opinion, is not capable of further revenue development, or which requires special considerations because of unusual construction requirements, lack of reasonable assurance as to the permanent continuation of required Revenue, or any other unusual conditions.



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### 807 – CONTRACTS

The Company shall not be required to build an extension beyond the Line Extension Allowance until the prospective customer or customers have signed an acceptable contract guaranteeing to pay the minimum monthly charge as provided by the Rate Schedule under which service is requested for a period of not less than forty-eight (48) months, and the payment of any refundable Advance Deposit and/or non-refundable contribution for line extension construction required under this rule. If the premises to be served is occupied by a tenant or contract for deed holder, the Company may require the property owner to sign the contract.

### 808 – SERVICE EXTENSIONS TO LOADS OF QUESTIONABLE PERMANENCE

When service is requested for loads of questionable permanence, the Company will install, own, operate, and maintain all distribution facilities up to the point of attachment to the Applicant's service equipment subject to the following:

- A. Charges – Prior to commencement of construction, the Applicant shall make an advance payment to the Company in the amount of the Company's estimated construction costs. Such estimates shall include the entire cost of extending the Company distribution facilities and for increasing capacity of its existing facilities to serve the Applicant's electric load.
- B. Refunds – When such advances are made and when the electric service agreement provides for the refund of advance payments, such refunds will be made to existing customers as a credit equal to twenty percent (20%) of the previous month's billing applied to the current month's billing until the total advance payment is repaid or five (5) years has expired, whichever occurs first.



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### 809 - TAX ADJUSTMENTS

- A. Gross Receipts – Charges computed under this Section 800 will be increased by the applicable proportionate part of any assessment, or charge imposed or levied by any governmental authority as a result of laws or ordinances enacted, which is assessed or levied on the basis of revenue or gross receipts.
- B. Excise Tax – Refundable advance deposits are not subject to state and local sales tax and sales tax is not to be included in the calculation of the refundable portion of an Applicant's contribution. Excise tax at the rate of two (2) percent is applicable to all non-refundable contributions required by this Section 800.
- C. Federal Income Tax – Non-refundable contributions are subject to federal income tax at the time of receipt. As such, non-refundable contributions will be adjusted for the federal income tax resulting from the non-refundable contribution less the net present value of any future tax benefits the Company expects as a result of the construction of the requested facilities for which the non-refundable contribution is being made.

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Date Filed: June 30, 2006

By: Jacqueline A. Sargent  
Director of Rates

Effective Date: For service on  
and after January 1, 2007