



Section 5.03 FACILITIES, DEFINITIONS, INSTALLATIONS, AND PAYMENTS

"Standard Facilities" are those facilities whose design or location constitutes the reasonable and prudent, least-cost alternative that is consistent with the existing electric system configuration, will meet the needs of the Company's Customers, and will maintain system Reliability and performance under the circumstances. In determining the design or location of a "Standard Facility," the Company shall use good utility practices and evaluate all of the circumstances surrounding the proposal, including 1) public and employee safety in the installation, operation and maintenance of the facility; 2) compliance with applicable engineering standards, codes, electric utility norms and standards; 3) electric system Reliability requirements; 4) the presence, age, condition and configuration of existing facilities in the affected area; 5) the presence and size of existing right-of-way in the affected area; 6) existing topography, soil, spacing, and any environmental limitations in the specific area; 7) existing and reasonably projected development in the affected area; 8) installation, maintenance, useful life and replacement cost factors; and 9) other relevant factors under the particular circumstances.

"Distribution Facilities" are defined as all wires, poles, insulators, transformers, fixtures, underground cable, and other associated accessories and equipment, including substation equipment, rated below 41,600 volts, whose express function and purpose is for the Distribution of electrical power from the Company's Distribution substation directly to the Customer's point of connection. Distribution Facilities may also include a radial line rated equal to or greater than 41,600 volts dedicated to serve Customers on Transmission rates. Distribution Facilities exclude all facilities used primarily for the purpose of transferring electricity from a Generator to a substation and/or from one substation to another substation.

"Transmission Facilities" are defined as poles, towers, wires, insulators, transformers, fixtures, underground cable, and other associated structures, accessories and equipment, including substation equipment, rated equal to or greater than 41,600 volts, whose express function and purpose is the transmission of electricity from a Generator to a substation or substations, and from one substation to another.

"Special Facilities" are non-Standard Facilities or the non-standard design or non-standard location of facilities. Common examples of Special Facilities include duplicate service facilities, special switching equipment, special service voltage, Three-phase service where Single-phase service is reasonably determined by the Company to be adequate, facilities for intermittent Customer equipment, mobile home park Distribution systems, conversion from overhead to underground service, specific area or other special undergrounding, location and relocation or replacement of existing Company facilities.



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The Company is not obligated to provide any Special Facilities and may refuse to do so at its sole discretion.

"Excess Expenditure" is defined as the total reasonable incremental cost above that of Standard Facilities, for construction of Special Facilities, including: the value of the un-depreciated life of existing facilities being removed and removal costs less salvage; the fully allocated incremental labor costs for design, surveying, engineering, construction, administration, operations or any other activity associated with the project; the incremental easement or other land costs incurred by the Company; the incremental costs of immediately required changes to associated electric facilities, including backup facilities, to ensure Reliability, structural integrity and operational integrity of the electric system; the incremental taxes associated with requested or ordered Special Facilities; the incremental cost represented by accelerated replacement cost if the Special Facility has a materially shorter life expectancy than the standard installation; the incremental material cost for all items associated with the construction, less salvage value of removed facilities; and any other prudent costs incurred by the Company directly related to the applicable Special Facilities.

Facilities Installations

When the Company is requested by a Customer, group of Customers, developer, or Governmental Unit to provide types of service that result in expenditure in excess of the Company designated Standard Facility installation, the requesting Customer, group of Customers, developer, or Governmental Unit shall be responsible for the Excess Expenditure, unless otherwise required by applicable law, rule or regulation.

When requested, the Company will evaluate the circumstances and determine the Standard Facilities that would be appropriate to the particular situation and determine what, if any, Excess Expenditures are associated with a Customer request or Customer requirement for Special Facilities.

Subject to the requirements of applicable laws, rules and regulations, and subject to the Company's previously scheduled or emergency work, the Company will install Special Facilities, or replace, modify or relocate to a Company-approved location or route its existing Distribution Facilities or Transmission Facilities a) upon the request of a Customer, a group of Customers, developer, or upon request or lawful order of a Governmental Unit if the Company determines the requested or ordered Special Facilities will not adversely affect the Reliability, structural integrity, ability to efficiently expand Capacity or operational integrity of the Company's Distribution Facilities or Transmission Facilities; and b) the requesting or ordering Customer, group of Customers, developer, or Governmental Unit arranges for payment of the Excess Expenditures, or a requesting or ordering Governmental Unit elects that the Excess Expenditures be recovered by surcharge.



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Special Facilities in Public Right-Of-Way

Whenever a Governmental Unit orders or requests the Company to replace, modify or relocate its existing Distribution Facilities or Transmission Facilities located by permit in the public right-of-way to the extent necessary to avoid interference and not merely for the convenience for the local Governmental Unit, in connection with: 1) a present or future local government use of the right-of way for a public project; 2) the public health or safety; 3) the safety and convenience of travel over the right-of-way, such facilities will be replaced, modified or relocated at the Company’s expense, provided the construction is the Standard Facilities installation designated by the Company.

If the Governmental Unit requests or orders a facility other than the Standard Facilities, the Company will provide the Governmental Unit notification of the Excess Expenditures to be incurred for Special Facilities, compared to Standard Facilities. If the Governmental Unit requests or orders a type of construction with costs in excess of Company-designated Standard Facilities construction, the Company shall be entitled to recovery of the Excess Expenditures as provided in this Section.

Except in emergencies, the Company has no obligation to commence initial construction of new Special Facilities, or to commence construction for replacement, modification, reconstruction or relocation of existing facilities, until the Company receives a permit, or other written authorization required from the Governmental Unit (or its designee) having jurisdiction over use of the applicable public right-of-way, authorizing the construction at a Company-approved reasonable location within the public right-of-way or at a location established by lawful order of the Governmental Unit.

Underground Facilities Requirements

The following provisions apply when replacing overhead facilities with underground facilities at the request of a Customer or Governmental Unit:

When required, the Customer at Customer's expense, must engage an electrician to adapt the Customer's electrical facilities to accept service from the Company’s underground facilities.

The Company will allow reasonable time for the Customer to make the necessary alterations to the Customer’s facilities before removal of the existing overhead facilities. The Customer, group of Customers, developer or Governmental Unit must provide the Company reasonable notice of the undergrounding request so the Company may efficiently plan and install such facilities.



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Perpetual easements will be granted to the Company at no cost to the Company whenever any portion of the underground Distribution system is located on private land and the undergrounding is requested by the Customer or ordered by a Governmental Unit. These easements also will grant the Company access for inspection, maintenance, and repair of Company facilities.

The Company must receive full access to its facilities installed underground for the purpose of inspection, maintenance, and repair of such facilities, such right of access to include the right to open public ways.

Where a Governmental Unit is requesting undergrounding, the Governmental Unit will give sufficient notice and will allow the Company sufficient time to place its facilities beneath public ways while the same are torn up for resurfacing. A Governmental Unit shall provide the Company with access to the torn up public ways during such period so that the Company will have unobstructed use of sufficiently large sections of the public ways to allow installation of the underground facilities in an economic manner.

The Customer shall install, own and maintain the necessary conduits and Secondary Service conductors to a point of common connection designated by the Company for secondary voltage service supplied from an underground Distribution lateral. A point of common connection can be the secondary compartment of the transformer, a current transformer cabinet, a Self-Contained Meter socket, or other type of Company-approved junction box. The Company will make final connection of the Customer’s secondary service conductors to the Company’s facilities.

Secondary voltage service supplied from underground secondary service conductors requires that the Customer install, own, or maintain necessary conduits on private property to a point designated by the Company. Secondary service conductors usually will be installed by the Customer in the Customer’s conduit, however, in some installations it may be preferred to have the Company provide a continuous installation from the Company facilities through the Customer conduit to the Customer’s service equipment.

In these installations the Customer must pay the total installed cost of the Company’s cable installed on private property. The Company will make the final connection of the Customer’s secondary service conductors to the Company’s facilities.

Special Facilities Payments

Where the requesting or ordering Customer or Governmental Unit is required to prepay or agrees to prepay or arrange payment for Special Facilities, the requesting or ordering Customer or Governmental Unit shall execute an agreement or service form pertaining to the

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Bruce G. Gerhardson
Vice President, Regulatory
Affairs

EFFECTIVE with bills
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installation, operation and maintenance, and payment for the Special Facilities.

Payments required will be made on a nonrefundable basis and may be required in advance of construction unless other arrangements are agreed to in writing with the Company. The facilities installed by the Company shall be the property of the Company. Any payment by a requesting party shall not change the Company’s ownership interest or rights.

Charges for Special Facilities shall be an annual fixed charge of 18% of the costs associated with the Excess Expenditures billed in 12 equal monthly installments.

Alternatively, the Customer may prepay the Excess Expenditure amount and then, in lieu of the 18% annual fixed charge, pay an annual fixed charge of 3.5% of the Excess Expenditure amount billed in 12 equal monthly installments.

The monthly charge shall be discontinued if the Special Facilities are removed or if the Special Facilities eventually qualify as Standard Facilities.

The Company shall provide to the Customer an estimate with detail of the costs prior to construction.