

HAWAII ELECTRIC LIGHT COMPANY, INC.

Superseding Revised Sheet No. 32a
Effective July 1, 1991

REVISED SHEET NO. 32a
Effective January 1, 1992

RULE 13-S

LINE EXTENSION
SPECIAL SUBDIVISION PROJECT PROVISIONS
Existing Subdivision Lots

A. Applicability

1. Applicable to construction of overhead distribution lines to serve lots within qualifying units which shall include subdivisions recognized and approved by the County of Hawaii and developed prior to the enactment of the Hawaii County Ordinance No. 62 in 1967, or lots within such subdivisions which are without electric service.
2. This Rule 13-S shall be applicable to SSPP units to which SSPP Line Extension Agreements are mailed or delivered on or after January 1, 1992, or the effective date of the revisions proposed on October 21, 1991, as modified on December 2, 1991, whichever occur later.

B. General

1. The Company will construct, own, operate and maintain electric lines only along, upon and over public streets, roads and highways when it has the legal right to do so, and on public lands and private property across which it has otherwise obtained rights of way or other necessary rights satisfactory to the Company.
2. The Company may not expend more than \$3 million in any calendar year for line extension projects pursuant to this rule exclusive of system improvement costs without prior PUC approval.

C. Qualifying Units

1. The total unserved lots within a pre-1967 subdivision or qualifying unit shall be treated and referred to as an SSPP unit.
2. An SSPP unit shall have a representative, if practical, for the purpose of implementing the unit's line extension agreement with the Company. The unit's representative may be an organization or an individual who requested the line extension for the unit.

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3. The boundaries of an SSPP unit shall be defined by the Company with the assistance of the SSPP unit's representative to establish the extent of the unit's line extension, and shall be specified in the SSPP Line Extension Agreement between the Company and the subscribers in the unit.
The boundaries of an SSPP Unit may be modified after the initial determination, if the Company finds good cause to do so. A lot within a proposed, or established, SSPP Unit may be excluded from the SSPP Unit if the lot owner requests such exclusion in writing to HELCO.
4. Once applied to a subdivision or to qualifying units as defined in Sec. A above, Rule 13-S shall supersede the Company's Rule 13.
5. Subscribers within an SSPP unit shall execute an SSPP Line Extension Agreement with the Company.
6. Subscribers outside of an SSPP unit who qualify under the applicability clause of this rule and who request service by connecting to the SSPP unit line extension shall be served under this Rule 13-S either by joining an existing SSPP Unit or by forming a separate SSPP Unit. Such subscriber shall execute an SSPP Line Extension Agreement with the Company and pay the required Customer Advance, Additional Customer Advance, and a Contribution for Special Facilities for such SSPP unit.

D. Line Extension Customer Advance For Qualifying Units

1. Subscribers shall pay the Company the required Customer Advance as defined in this Rule for the Line Extension that is required to serve the SSPP Unit, not including the line extensions within the subscribers' lots which are addressed in Section E, below.
2. The required customer advance shall equal two-thirds (2/3) of the total cost of the Line Extension project divided by the total number of prospective subscribers who indicate an interest in participating in a proposed SSPP Unit or a percentage thereof to be determined by the Company based on the amount of the Customer Advance, the estimated size of the SSPP Unit, and other factors that are relevant to the final participation rate of the prospective subscribers who indicate an interest in participating. A minimum number of participants may be required by the Company for an SSPP Line Extension Agreement to be valid. The estimated Line Extension cost will be exclusive of line transformers, service drops and meters, and will be based on the route determined by the Company.

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3. The total cost of line extension shall include the SSPP unit's proportionate share of the previous Main Line Extension that will be used to serve such unit and which was paid for by previous SSPP unit(s). The Main Line Extension shall mean any primary distribution voltage lines and poles required to serve an SSPP unit from HELCO's electrical distribution system.
4. Where Hawaiian Telephone Company has installed a telephone-only line extension, the Company will normally build a separate electric line for its service. If the subscribers in an SSPP unit along a pre-existing telephone line extension request a joint pole installation, or if a joint pole installation is required by the Company for engineering or operating reasons, the additional cost for each joint pole installation plus any charges by Hawaiian Telephone shall be included in the total cost of the line extension project.
5. Subscribers within an SSPP Unit who sign an SSPP Line Extension Agreement with the Company before the unit's line extension is energized, may pay the full amount of the required Customer Advance or finance 90% of the Customer Advance (and the Additional Customer Advance) through the Company by executing a Promissory Note with the Company, provided that the Customer Advance to be financed shall be at least \$2,000 and shall not include the cost of Special Facilities. The Company may provide incentives in the form of cash payments or reductions in the Customer Advance to encourage existing and future SSPP subscribers to pay the SSPP Customer Advance in full, rather than finance the cost through the Company.

If a subscriber elects to finance 90% of the Customer Advance (and the Additional Customer Advance) through the Company:

- a. The subscriber shall make an initial payment of 10% of the required Customer Advance.
- b. The subscriber shall pay the remaining balance of the required Customer Advance by making a monthly payment to the Company for up to 30 years at 9% annual interest rate. If the amount financed is less than \$34 per month, the Company may modify the payment terms to provide for quarterly payments.
- c. Payments received by the Company in excess of the subscriber's monthly payment as specified in the Promissory Note shall be applied to the principal balance.

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- d. The subscriber may prepay the full amount of the remaining principal balance at anytime without prepayment penalty.
 - e. The terms of payment provided in the Promissory Note shall be subject to the Late Payment Charge and Returned Check Charge specified in the Company's Rule No. 8.
 - f. If the subscriber sells his or her property during the term of the Promissory Note, the subscriber must notify the Company before executing the transfer of property ownership. The subscriber shall either pay the Company the full amount of the outstanding loan balance at the time of the transfer of the property ownership or both seller and buyer shall execute an Assignment, Consent, and Release agreement with the Company. The Company may require the loan to be secured by the property in the SSPP Unit, provided that the Company's lien will be junior in seniority to any first, second, and/or home equity mortgage(s).
 - g. If the Company obtains and directs REA funds to SSPP projects, the prevailing REA loan interest rate and terms shall apply, subject to PUC approval.
6. The full or initial payment of the required customer advance from all the subscribers within an SSPP unit or qualifying unit shall be made to the Company prior to the start of construction of the line extension project by the Company.
 7. Later Subscribers who wish to subscribe to electric service within the SSPP unit who are not Original Subscribers have the option to pay the Total Customer Advance (Customer Advance, Additional Customer Advance, plus Contribution for Special Facilities) in full for the line extension. Later Subscribers who do not pay the Total Customer Advance in full will be required to make the following payments to HELCO for the line extension:
 - 1) An initial payment equal to 10% of the Later Subscriber's applicable Customer Advance and Additional Customer Advance or the cumulative principal that the Later Subscriber would have been required to pay up to the month that service is requested had the Later Subscriber started as an Original Subscriber, whichever is higher.

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- 2) A monthly payment for the remaining balance of the Customer Advance and Additional Customer Advance at an interest rate of 9% per year to be amortized over the remaining life of the original SSPP unit's loan period.

E. Additional Customer Advance

1. Any line extension within a subscriber's lot in an SSPP unit shall be provided by the Company when the subscriber makes an Additional Customer Advance to the Company for the full cost of the line extension within the subscriber's lot in excess of the standard service drop of 150 feet. This Additional Customer Advance shall be in addition to the Customer Advance required under Sec. D of this rule. The Additional Customer Advance may be financed by the Company under the same terms and conditions as are included in Paragraph D.5, above.
2. Subscribers connecting to a line extension within another subscriber's lot shall pay the proportionate share of the additional customer advance.

F. Refunds

1. If the sum of the Customer Advances, exclusive of interest from loans, received by the Company from all the subscribers within an SSPP unit including the proportionate shares of other SSPP units as well as the advance received from non-qualifying subscribers as defined in Section H of this rule connecting to the unit's line extension, exceeds the Company's total cost of the line extension, the Company shall refund the excess amount to the subscribers within the unit.
2. The proportionate shares of the Additional Customer Advance received from subscribers connecting to a line extension within another subscriber's lot as specified under Sec. E of this rule shall be refunded to the subscriber who made the Additional Customer Advance for such line extension.
3. Refunds, if any, shall be made annually in the first quarter of each applicable year to those subscribers on record as of December 31 of the previous year for a period of fifteen years following the year when the line extension is first energized.

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- a. The total excess amount available for refund for any year shall be divided equally among the subscribers on record as of December 31 of the previous year. The customers on record as of December 31 of the previous year shall include those subscribers who have paid the initial payment of 10% of, or the full required customer advance.
 - b. The amount of refund to any subscriber for any given year shall first be credited against the subscriber's outstanding loan balance as of December 31 of the previous year.
 - c. If the subscriber's outstanding loan balance is reduced to zero by such credit, any excess refund of at least \$10.00 shall be paid to the subscriber.
 - d. If the amount of the excess refund is less than \$10.00, the excess refund will be accumulated to the next refund period until it exceeds \$10.00 at which time it will be paid to the subscriber.
4. The total refunds to any subscriber shall not exceed the total of the Customer Advance and the Additional Customer Advance, respectively, received from such subscriber. Refunds shall be made without interest.

G. Special Facilities

The Company shall install only those facilities that it deems necessary to render service in accordance with the tariff. Where the subscriber requests facilities that are acceptable to the Company but are in addition to, or in substitution for, the standard facilities that the Company would normally install, the subscriber shall make a non-refundable contribution of the extra cost thereof, in addition to the Customer Advance required under Sec. D and the Additional Customer Advance required under Section E of this rule. The costs of Special Facilities cannot be financed through the Company.

H. Non-Qualifying Subscribers

1. Non-Qualifying Subscribers shall include those who do not qualify under the applicability clause of this rule.
2. The Company may allow a Non-Qualifying Subscriber to join an existing SSPP unit that is contiguous to the Non-Qualifying Subscriber's property in exceptional cases where the results are found to be fair and reasonable by the Company. Such Non-Qualifying Subscribers will then be served under this Rule 13-S.