

RULE No. 13

Line Extensions

Extensions of lines necessary to furnish service to applicants for permanent service will be made by the Company in accordance with the following provision:

A. GENERAL

The Company will construct, own, operate and maintain electric lines and equipment only under, along, upon and over public streets, roads and highways where 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.

B. OVERHEAD EXTENSION TO SERVE INDIVIDUAL APPLICANTS

1. Extension Allowance

- a. Overhead line extensions will be made by the Company at its expense provided the cost of the line required does not exceed sixty months' estimated revenue of the applicant. The Company will install, own, operate and maintain the necessary line transformers, meters and service drop in accordance with Rule No. 14 at its expense, except where the customer requests special facilities.
- b. Special Facilities: The Company will install only those facilities which it deems necessary to render service in accordance with the tariff. Where the applicant requests facilities which are acceptable to the Company but are in addition to, or in substitution for, the standard facilities which the Company normally would install, the applicant shall make a contribution of the extra cost thereof.

2. Extensions Beyond Allowance

For overhead line extensions whose estimated cost exceeds the sixty months' estimated revenue, the applicant shall make an advance equal to the difference between the estimated line cost and the sixty months' estimated revenue. The estimated line cost will be exclusive of line transformers, service drops and meters, and will be based on the route determined by the Company.

3. Refunds

- a. If, within five years from the date service is first rendered, new permanent customers or additional permanent loads are added to the line for which an advance was made, a refund will be made to the customers who made the original advance equal to the line extension allowance for the new permanent customers or loads applicable to the line

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constructed with the advance, in the amount of the residual from the extension allowance over the cost of the line extension for the new permanent customer or additional permanent load. Such refund shall be credited sequentially from the new permanent customer's or load's point of service toward the source of supply and shall be applicable only to that section of line used for the new customer or load. In no case shall the refund exceed the advance for that section of line. No interest will be paid on these advances.

- b. For Molokai Division, the refunds due to individual applicants whose line extensions were provided before August 18, 1994 shall be made in accordance with Molokai Division's Rule 13 which became effective August 26, 1980 per PUC D&O No. 6346.

C. OVERHEAD EXTENSION TO SUBDIVISION OR DEVELOPMENTS

1. Advances

Overhead line extensions to and/or in subdivisions or developments will be constructed, owned and maintained by the Company prior to applications for service by the ultimate customers when the developer or subdivider makes an advance of the entire estimated cost of the line extension. The company may postpone for one year collecting that part of the advance which it estimates would be refunded during the year on the basis of sixty months' revenue from permanently connected customers.

2. Refunds

Refunds will be made to the developer or subdivider making the advance when permanent customers within the subdivision are connected to the lines based on the estimated revenues for sixty months from such permanent customers in the subdivision. If permanent customers within the subdivision require line extension from the existing lines within the subdivision, such permanent customers shall be considered as individual applicants under Rule 13 (B) herein and entitled to the extension allowance in computing any advance that may be due. The developer or subdivider shall only be entitled to a refund in the amount of a permanent customer's extension allowance less the cost of the line extension to serve such permanent customer and shall not be entitled to any credits for individual line extension requests where the permanent customer is required to make an advance payment to the utility. The total amount to be refunded is limited to the amount of the advance made by the developer or subdivider and no refund will be made after five years from the date of the advance. No interest will be paid on these advances made by the developer or subdivider.

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The developer or subdivider shall not be entitled to any refund from permanent customers attaching to the line outside of the subdivision boundaries including another subdivision that may connect to the line to which the first developer or subdivider contributed an advance to the utility. Each developer or subdivider will be subject to Rule 13 (C) and the advance requirements thereto.

For Molokai Division, developers and subdividers whose line extensions were provided before August 18, 1994 shall receive refunds in accordance with Molokai Division's Rule 13 which became effective August 26, 1980 per PUC D&O No. 6346.

D. UNDERGROUND EXTENSIONS

1. General

The Company will install its distribution system underground only when the customer, developer or subdivider makes a contribution of the estimated difference between the cost of the underground system and an equivalent overhead system, or when for engineering and operating reasons the Company may install the system underground at its own expense. The type of underground system that will be installed under this rule shall meet engineering construction standards of the Company. In all cases, the Company will own, operate and maintain the underground facilities.

2. Extensions to Serve Individual Applicants

Underground extensions will be installed by the Company provided the applicant makes a contribution of the difference between the estimated underground extension cost and estimated equivalent overhead extension cost. The overhead equivalent cost allowed is subject to the limitations and conditions of paragraph B of this rule. When feasible, the applicant will provide the trenching, backfill and necessary duct work to meet engineering construction standards of the Company.

3. Extensions to and/or within Subdivisions or Development in Advance of Applications for Service by the Ultimate User

Underground lines will be installed by the Company in a subdivision or development prior to applications for service from the ultimate customer when the subdivider or developer makes a contribution equal to the difference between the estimated cost of the underground system and the estimated cost of an equivalent overhead system. The allowance for the overhead costs are subject to the limitations and conditions of paragraph C of this rule. When feasible the subdivider or developer will furnish the trenching, duct work, backfill and miscellaneous construction to meet engineering construction standards of the Company.

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4. Replacement of Overhead with Underground Facilities

When mutually agreed upon by the customer or applicant and the Company, overhead facilities will be replaced with underground facilities, provided the customer or applicant requesting the change makes a contribution of the estimated cost installed of the underground facilities less the estimated net salvage of the overhead facilities removed.

5. Special Facilities

Where the applicant requests facilities which are acceptable to the Company but are in addition to, or in substitution for, the standard facilities which the Company would normally install, the applicant shall make a contribution of the estimated extra cost thereof.

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