

**RULE I
LINE EXTENSIONS**

1. Purpose

This rule establishes procedures and defines respective cost responsibilities to provide a Line Extension to a builder, developer, Customer or Applicant who requests a Line Extension on its own behalf, or a Customer or Applicant's agent.

A. Generally

Line Extensions will be at primary and/or secondary voltage levels. Modifications to transmission or subtransmission voltage facilities or substations are not considered Line Extensions for purposes of this rule and require special contract arrangements.

When an agent requests a Line Extension on behalf of a Customer or Applicant, the agent must provide documentation acceptable to the Company evidencing its authority to request a Line Extension.

B. Definitions

1) Applicant

For purposes of this rule, an Applicant is a builder, developer, Customer, Applicant or other Customer or Applicant agent requesting a Line Extension to:

- a) Serve new construction; or
- b) Obtain additional capacity for, or a change in, service conditions relative to existing Distribution Facilities.

2) **Distribution Facilities**

Distribution Facilities are all structures and devices needed to distribute Electricity at any of the primary or secondary voltages listed in Rule C. Distribution Facilities will be installed in accordance with applicable laws, codes and Company standards and practices. It is the Applicant's responsibility to provide the Company with accurate information about their usage including but not limited to nameplate ratings of major installed electrical equipment and the intent to operate equipment above or below the nameplate rating. If damage results to Facilities owned by the Company through failure of the Applicant to fully disclose its load requirement to the Company, the repair and, or replacement costs of such Facilities will be paid by the Applicant.

3) **Line Extension**

A Line Extension is the installation of new, additional or upgraded Distribution Facilities from a point on the Company's existing distribution system that the Company has determined has adequate capacity for the Applicant's planned Electricity needs to the Applicant's Service Point (SP). Where the Applicant is requesting either a new individual residential service or an upgrade to an individual residential service, upgrades to existing primary lines will not be considered part of the Line Extension. However, any new primary or secondary Line Extensions, transformer additions or replacements necessary to serve the new load will be considered part of the Line Extension.

4) **Line Extension Allowance**

The Line Extension Allowance is the portion of the Line Extension Cost that the Company will provide without charge to the Applicant. Estimated annual kWh values used to calculate non-Residential Customer line extension allowances do not reflect onsite generation.

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5) **Line Extension Cost**

A Line Extension Cost is the Company's total estimated cost to install new, additional, or upgraded Distribution Facilities to serve the Applicant's planned Electricity needs. Line Extension Costs are intended to recover the expenses of labor, material and equipment involved in the design, installation and inspection of the Line Extension. Line Extension Costs include, but are not limited to, labor costs, the cost of transformers, primary and secondary voltage conductors, tree trimming or tree removal, Company indirect charges and the cost of any necessary rearrangement of existing Facilities. Where the Applicant is requesting either a new individual residential service or an upgrade to an individual residential service and the transformer requires upgrading, the Line Extension Cost will be credited for the estimated original cost, less depreciation, less removal costs, of the existing transformer. Estimates of Line Extension Costs provided to Applicants are valid for six months from the date of issue. After six months the Company reserves the right to provide a revised estimate. The Line Extension Cost does not include payments to a third party for easements, additional costs associated with Underground Line Extension or other additional costs described in this rule.

6) **Long Side Service Connection**

A service connection, which runs parallel to the street, rather than perpendicular to the street.

7) **Primary Voltage Project**

A Primary Voltage Project is a planned undertaking of construction, where the Company initially installs only primary voltage facilities. Primary Voltage Projects include large lot residential subdivisions, industrial parks and other similar complexes. It is expected that within the project each Customer will be served from one or more transformers dedicated to that Customer's use.

8) **Public Thoroughfare**

A Public Thoroughfare is a municipal, county, state, federal, or other street, road, or highway, which is dedicated, maintained and open to public use in which the Company has the right to construct, operate, and maintain Facilities.

9) **Residential Subdivision**

A Residential Subdivision is a parcel of land divided into four or more smaller lots for the purpose of development or sale, which has been platted and filed under Oregon law as a subdivision. It is expected that within the subdivision several homes will be or are served from the same transformer.

C. **Company Requirements**

1) **Company to Determine Route**

The Company will determine the route for all Line Extensions along Public Thoroughfares and may determine the route of a Line Extension made on private property. If the Applicant requests a route different than that determined by the Company, the Company may provide the Line Extension along the requested route if the Applicant pays the Company all additional costs resulting from the provision of that route and the requested route is not contrary to Company standards and practices.

2) **Company Ownership**

The Company will own and maintain all Facilities to the SP.

3) **Company Installation**

The Company will install all Facilities to the SP except that an Applicant for overhead Facilities may arrange to have the Facilities located on the property constructed by an electrical contractor acceptable to the Company, subject to the following conditions:

- a) The Company will furnish the design and construction specifications for the connection and perform the necessary surveying;
- b) The Applicant will, prior to the beginning of construction, cause the contractor to furnish the Company a certificate naming the Company as an additional insured in an amount not less than \$1 million under the contractor's general liability policy;
- c) During and after completion of the work by the contractor, the Company will make inspections. If the construction meets the Company's design specifications, the Company will accept ownership, and the Applicant will provide to the Company the title to the construction, together with all rights-of-way and easements required by the Company, free and clear of any liens or encumbrances; and
- d) Following receipt of the title, the Company will energize the Line Extension to make Electricity Service available to the Applicant.
- e) If, within 24 months of the time the Company energized the Line Extension, it determines that the overhead Distribution Facilities are deficient in materials or workmanship, the Applicant must pay the cost to correct the deficiency to the Company's satisfaction.

4) **Unusual Distribution Facilities or Nonstandard Construction**

The Company is required to install only those Facilities deemed necessary to render service in accordance with the Tariff. The Company is not required to make Line Extensions which involve additional or unusual Facilities, nonstandard construction, or other unusual conditions. If, at the Applicant's request, the Company installs Facilities which are in addition to, or in substitution of, the standard Facilities which the Company would normally install but which are otherwise acceptable to the Company, the additional cost of such nonstandard Facilities will be paid by the Applicant and will not be subject to the Line Extension Allowance in Schedule 300. In the case of conversion from overhead service to underground service, Section 6 of this Rule applies. In the case of relocation or removal of services and facilities, Section 7 of Rule C applies.

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2. **Applicant Cost Responsibilities**

A. **Payment**

Applicants who have cost responsibilities under this section and Section 3 will make payment in full at the time the Company agrees to make the Line Extension.

B. **Applicants for New Permanent Service**

1) **Individual Applicants**

Applicants for new permanent service will be responsible for the Line Extension Costs, less the applicable Line Extension Allowance listed in Schedule 300. In addition, any payments to a third party for easements, permits, additional costs associated with Underground Line Extensions, and all other additional costs described in this rule will be the responsibility of the Applicant and are not eligible for the Line Extension Allowance.

2) **Other than Individual Applicants**

The Company will install a main-line primary distribution system to provide service to a project (e.g., a subdivision, industrial park, or similar project) to serve Customers within the project provided the Applicant pays in advance for: 1) the total estimated cost of the installation of a continuous conduit system which includes, but is not limited to, the costs of trenching, boring, excavating, backfilling, ducts, raceways, road crossings, paving, vaults, transformer pads and any required permits; and 2) all other Applicant cost responsibilities based on the expected load within the project. The expected load in a large lot subdivision, industrial park, or similar project is comprised of only those loads projected to be connected within the first five years. Any Line Extension refund owed to the Customer or Applicant will be based on load connected within the first five years.

In residential subdivisions or phases of residential subdivisions where Line Extensions will not require subsequent additional extensions of primary voltage Distribution Facilities to serve the ultimate users within the subdivision, the refund will be based on the Line Extension Allowances for the subdivision calculated in accordance with Schedule 300.

C. **Existing Customers**

1) **Nonresidential**

Where an Applicant is an existing Nonresidential Customer requesting an additional SP, the conversion of a single-phase service to three-phase service, or additional capacity, the Applicant will make payment in full at the time the Company agrees to make the Line Extension. The Line Extension Allowance in these cases will be based on the incremental, annual kWh to be served by the Company or, in the case of a change in the applicable rate schedule, equal to four times the increase in annual revenues from Basic and Distribution Charges.

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2) **Residential**

Where an Applicant is a Residential Customer requesting additional capacity at the same SP, the Line Extension Allowance is as listed in Schedule 300. Any excess amount will be the responsibility of the Applicant. In addition, any payments to a third party for easements, permits and additional costs associated with Underground Line Extensions and all additional costs described in this rule will be the responsibility of the Applicant and are not eligible for the Line Extension Allowance.

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3. **Special Conditions for Underground Line Extensions**

A. **Applicability**

Underground Line Extensions will be made:

- 1) When required by a governmental authority having jurisdiction;
- 2) When required by the Company for reasons of safety or because the extension is from an existing underground system; or
- 3) When otherwise mutually agreed upon by the Company and the Applicant.

B. **Responsibility for Costs**

- 1) The Applicant will be responsible for the current and reasonable future costs associated with the installation of the Line Extension's continuous conduit system, which includes but is not limited to, the costs of trenching, boring, excavating, backfilling, ducts, raceways, road crossings, paving, vaults, transformer pads and any required permits. The Company will own and maintain the conduit system once Company conductors have been installed.
- 2) At its option, the Company may perform the Applicant's responsibilities listed in (B)(1) above at the Applicant's expense or permit the Applicant to perform these responsibilities at Applicant's expense. Where work is to be performed in an existing right-of-way and requires the Company to obtain a permit from a governmental body, the Company may specify additional requirements and place restrictions on the selection of contractors.

- 3) Where the Company provides trenching and backfilling for installation of applicable residential underground service laterals, the charges specified in Schedule 300 will apply. Estimated actual costs will apply where the Company provides trenching, and backfilling beyond the service lateral installation process. The Applicant will be responsible for all additional costs of excavating rock, furnishing and installing raceway, excavating to a depth in excess of Company standards, manual digging, and the repair of paved roads, walks, and driveways when such work must be performed.
- 4) Where no other restrictions apply and the Applicant is only considering submersible transformers for aesthetic reasons, the Applicant may request the installation of submersible transformers instead of standard pad-mounted transformers. In this event, the cost set forth under the Transformers Section of Schedule 300 will be paid by the Applicant.
- 5) Applicant's payment requirements for jobs with Line Extension Costs estimated to be equal to or exceeding \$250,000 will be as follows:
 - a) The Applicant will provide a cash payment of 10% of the estimated Line Extension Cost prior to the Company initiating design work;
 - b) At the time the Company orders any special order and/or long lead-time electrical and/or pathway material, the Applicant will provide a cash payment to the Company for the full cost of the order; and
 - c) At the commencement of pathway construction, the Applicant will provide a payment equal to any remaining Line Extension Costs necessary to complete construction. Acceptable means of payment will be at the sole discretion of the Company.

The Line Extension Allowance will be refunded at the time the Applicant's Electricity Service is established. If Applicant's Electricity Service is not established, payments made under Section (3)(B)(5) are not refundable.

C. **Additional Services**

1) **Service Locates**

The Company will locate underground water, sewer and water runoff services along the Applicant's proposed trench route on the Applicant's property if requested by the Applicant. The cost set forth in Schedule 300 will be paid by the Applicant.

2) **Service Guarantee/Wasted Trip Charge**

The Company will begin the installation of residential single family underground service laterals within seven working days following the date an Applicant requests such service, except during periods of major storms or other such conditions beyond the Company's control. If the Company does not meet this standard, the Company will pay the Applicant the Service Guarantee Charge in Schedule 300. If, however, Company resources are dispatched to install the residential single family service lateral within the seven-day period and the Applicant's site or other facilities are not ready for service, the Applicant will be assessed the Wasted Trip Charge in Schedule 300.

3) **Long-Side Service Connection Charge**

Where the Applicant requests that the Company provide trenching and conduit for a long-side service connection the charge in Schedule 300 will apply.

4) **Joint Trench Installation Charge**

Upon mutual agreement between the Company and the Applicant, the Company may install telephone and cable services during the installation of the underground service lateral. The parties involved will mutually agree to the price for such service.

4. Refunds

- A. Where an Applicant has paid all or a portion of the costs of a Line Extension and additional Customers are subsequently connected to it, the Company will, at its initiative or on request from the Applicant for the original Line Extension, compute on a prorated basis the Line Extension Cost responsibility for up to three additional new Applicants connected to the original Line Extension and make collections and refunds for up to three additional Applicants, provided the following three conditions are satisfied:
- 1) The original Line Extension has been in service for less than five years when the additional connections are made;
 - 2) The original Line Extension has been in service less than six years when the application for refund is made; and
 - 3) The payment made by the original Applicant was \$100 or more.
- B. Where additional Applicants are connected within five years of completion of the original Line Extension, and the allowances for the subsequent Line Extensions exceed additional Applicants' costs, the difference may be refunded to the original Applicant under the following conditions:
- 1) Application for such refunds may be made as additional Applicants are connected, but no more frequently than on an annual basis; and
 - 2) The total amount refunded will not exceed the Line Extension Cost paid by the original Applicant.

5. Special Conditions for Portland River District Undergrounding Project

For an area within the City of Portland, depicted as the shaded region on the map included as Appendix A⁽¹⁾, the applicable Applicant cost responsibilities of Underground Line Extensions, as specified in Section (3)B(1), will be incurred as a Service Connection Charge. This charge will be equal to \$39,040.00⁽²⁾ for a standard 200' X 200' block within the district. For any development area other than the standard size, the charge will be prorated based on the comparative size of that area. (C)

⁽¹⁾ Between Broadway and Glisan Street and behind Union Station, the River District boundary is defined by the railroad right-of-way. Their respective streets or the Willamette River defines all other sections of the River District boundary.

⁽²⁾ This amount will be applicable through the year 2009. Beyond 2009, the charge will be escalated annually by the Company's then authorized cost of capital. (C)

6. Conversion from Overhead to Underground Service

A. General

The Company will replace overhead with underground Facilities whenever such conversion is practicable and economically feasible. Customers connected by overhead Distribution Facilities owned by the Company that desire underground service will comply with applicable provisions of this rule.

B. Payment for Service Changes

The party requesting conversion from overhead to underground will pay the Company, prior to conversion, the estimated original cost, less depreciation, less salvage value, plus removal expense of any existing overhead Facilities no longer used or useful by reason of said underground system, and the costs of any necessary rearrangements, modifications, and additions to existing Facilities to accommodate the conversion of Facilities from overhead to underground.

C. Special Conditions

The conversion of overhead to underground Facilities affecting more than one Customer will be conditioned on the following:

- 1) The governing body of the city or county in which the Company's Facilities are located will have adopted an ordinance creating an underground district in the area in which both the existing and new Facilities are and will be located, providing:
 - a) All existing overhead communication equipment and Distribution Facilities in such district are removed;
 - b) Each Customer served from such electric overhead Facilities will, in accordance with the Company's rules for underground service, make all necessary electrical facility changes on said Customer's Premises in order to receive service from the Company's underground Facilities as soon as available; and
 - c) The Company is authorized to discontinue its overhead service on completion of the underground Facilities.

- 2) All Customers served from overhead Facilities will agree in writing to perform the wiring changes required on their Premises so that service may be furnished in accordance with the Company's rules regarding underground service. Such Customers must also authorize the Company to discontinue overhead service upon completion of the underground Facilities.
- 3) When the local government requires the Company to convert overhead Facilities to underground at the Company's expense, the provisions of OAR 860-022-0046 will apply.
- 4) That portion of the overhead system that is placed underground will not impair the utilization of the remaining overhead system.

D. Cost of Area Conversions

Area conversions may involve an allocation or assessment of costs and responsibilities among Customers. Such assessment and collection thereof will be the responsibility of a governmental unit or an association of those affected.

E. Cost of Additional Circuit Capacity

Where the Company installs an underground circuit with capacity in excess of the existing overhead, any additional cost to provide such excess circuit capacity will be at the Company's expense. Applicant cost responsibilities will be as defined in Section (6)(B) plus all reasonable costs for conduit or vault space installed to establish pathways for future circuit capacity.

7. **Nonpermanent Line Extension**

A. **General**

A Line Extension is nonpermanent when the Company believes service for its intended purpose by the Applicant will continue for less than five years. If the Company believes a requested Line Extension is nonpermanent, the Company will require a cash advance of the entire Line Extension Cost, plus payments to third parties for easements and those costs outlined under Section 3, plus the estimated cost of removing the Line Extension, less any salvage value. If service is used for the intended purpose by the Line Extension Applicant for a period of five years, that portion of the amount advanced by the Applicant which was in excess of the amount that would have been charged for a permanent Line Extension will be refunded to the Applicant with interest.

B. **Greater than 1 MWa Nonresidential Nonpermanent Service**

Nonresidential Line Extension Applicants with Line Extension Costs of \$50,000 or greater, with loads in excess of 1 MWa, will sign a contract agreeing to accept Electricity Service at a specified minimum load. If service is terminated within an initial term of five years or if service is reduced to shut-down mode, a Service Termination Charge equal to the Line Extension Allowance (LEA) less 1/5th for each year service was taken at the specified minimum will be assessed as follows:

$$\frac{[(5 - \text{Years Served}) * \text{LEA}]}{5}$$

8. **Excess Capacity**

Excess Capacity will be determined to exist where:

- A. The characteristics of the Customer's load require the Company to install Facilities larger than the kVA demand of the load for voltage regulation or other reasons;
- B. The Customer requests additional capacity due to planned expansion needs that have not yet occurred; or
- C. The Customer requests Facilities that are in excess of what the Company determines is required based on the Company's analysis of the Customer's planned load.

When a Customer applying for a service upgrade or a new service Applicant requires Excess Capacity, such installation will be ineligible for a Line Extension Allowance associated with the unused or underutilized portion of the Line Extension. The unused or underutilized portion of the Line Extension will be determined by comparing the cost of the Line Extension with and without the Facilities necessary to serve the Excess Capacity. The Customer or Applicant will also be responsible for a maintenance charge equal to the present value of future maintenance of the excess Facilities at the time the new service or service upgrade is installed. If within five years of installation the excess capacity situation is determined to no longer exist the Company will refund the portion of the Line Extension charges that resulted from the designation of Excess Capacity, including the maintenance charge. It is the responsibility of the Customer to inform the Company as to the change in their capacity requirement within the five-year period.

9. Rules Previously in Effect

Amounts advanced under the conditions established by a rule or contract previously in effect will be refunded in accordance with the provisions of that rule or contract.

RULE I

APPENDIX A

RULE I (Concluded)

