

TERMS AND CONDITIONS

XXII. ELECTRIC LINE EXTENSIONS AND INSTALLATIONS

A. The Company will make electric line extensions for normal service to permanent service locations in accordance with the provisions stated herein.

B. The following definitions shall apply to this Section XXII:

1. Adequacy – Facilities that have the capacity to serve the Customer’s load at the existing service characteristics (i.e. voltage, single-phase or three-phase, wye or delta). Facilities are considered inadequate when their capacity is not sufficient to serve the load at the existing service characteristics.
2. Approach Lines - Primary voltage facilities extending from an existing source to the property of the Customer or developer requesting service.
3. Cost Difference - The amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing overhead facilities. The calculation of the cost difference shall assume equivalent equipment capacity based on the Company's current standard materials and design practices.
4. Excess of X Years' Revenue - The amount by which the cost of installing the described facilities exceeds the annual revenue multiplied by X years. The value of X shall be as indicated.
5. Local Distribution Lines - Facilities within a development not otherwise defined as approach lines.
6. Permanent Residence - A single unit, providing complete and independent living facilities for one or more persons, including permanent provisions for sleeping, cooking, and sanitation. A permanent residence is occupied on a full-time basis (more than 180 days per year).

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7. Permanent Service Location - A service location where there is no indication the requirement for service is temporary. For mobile or transportable structures, one of the following is met:
 - a. The structure is on a permanent perimeter foundation meeting the North Carolina State Building Code, Volume 1 of 5, or federal standards for manufactured mobile homes.
 - b. Service is provided to a meter pedestal in a bona fide mobile home park consisting of three or more mobile home sites and permanent roads, water and sewer is provided by the park owner.
8. Primary Voltage Facilities - This and other references to "primary" refers to electric distribution facilities operating at 2,000 Volts or more.
9. Residential Development - For garden-type homes, row homes and duplexes, a residential development shall be a recorded development containing at least four new residences with an average density of not less than four new residences per acre. For detached single-family homes, a residential development shall be a recorded development of multiple contiguous properties that will contain at least three new residences. Developments existing prior to February 1, 2025, will be defined hereunder as a residential development only if new electric service was provided within the development generally, in accordance with one of the Company's previous plans for underground electric service.
10. Revenue - The continuing revenue reasonably anticipated from the Applicant as a result of the extension or improvement, less fuel revenue.
11. Secondary Voltage Facilities - This and other references to "secondary" refers to electric distribution facilities operating at less than 2,000 Volts.
12. Service Characteristics - The voltage, number of phases, and connection type (i.e., delta vs. wye) of the facilities providing service to the Customer.

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C. New Residential:

1. Single-Phase Not Within a Residential Development

The Company will provide single-phase Electric Service to a Permanent Residence not previously provided with Electric Service, and not located within an area designated by the Company as an Underground Distribution Area, in accordance with the provisions stated herein.

- a. Primary approach lines will be installed overhead.
- b. Should the Customer request or be required to install primary Approach Line facilities underground, a payment equal to the Cost Difference will be required.
- c. The remainder of the installation will be installed either overhead or underground at the Customer's discretion.
- d. The Customer will pay the Company the amount, if any, by which the cost contained in Paragraphs C.1.a. and C.1.c. exceeds seven times the continuing estimated annual revenue - less fuel charge revenue - that can reasonably be expected.
- e. In reference to installations in C.1.b. and C.1.c., above, should the Customer request underground facilities when the composition of the land is such that normal trenching cannot be used, then the Customer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching. Revenue credit is not applicable to this charge.

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2. Single-Phase Within a New Residential Development:

The Company will provide Service to individually metered Permanent Residences and/or residential units within a Residential Development not previously provided with Service, and not located within an area designated by the Company as an Underground Distribution Area, in accordance with the provisions stated herein.

- a. Primary approach lines will be installed overhead.
 - b. Should the Customer/Developer request or be required to install primary Approach Line facilities underground, a payment equal to the Cost Difference will be required.
 - c. Local distribution lines will be installed either overhead or underground at the discretion of the customer.
 - d. The Customer/Developer will pay the Company the amount, if any, by which the cost contained in Paragraphs C.2.a. and C.2.c. exceeds seven times the continuing estimated annual revenue - less fuel charge revenue - that can reasonably be expected.
 - e. If the Customer/Developer requests the local distribution lines to be installed underground, the Customer/Developer shall install Company provided conduit, at locations specified by the Company. The Customer/Developer shall also provide the initial cutting and clearing of the right-of-way within the development as specified by the Company for overhead and underground primary lines, secondary lines, service lines, and other facilities used to supply electricity.
 - f. In reference to installations in C.2.b., above, should the Customer/Developer request underground facilities when the composition of the land is such that normal trenching cannot be used, then the Customer/Developer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching. Revenue credit is not applicable to this charge.
3. The revenue credit in C.1.d. and C.2.d., above, shall be based on the annual kWh consumption allowance of 17,307 kWh.

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D. New Nonresidential and New Residential Three-Phase Service

The following charges apply for line extensions to locations not covered under Paragraph C., above, that have not previously received electric service and are not in an area designated by the Company as an "Underground Distribution Area":

1. Primary approach lines will be installed overhead.
2. Should the Customer request or be required to install primary Approach Line facilities underground, a payment equal to the Cost Difference will be required.
3. The remainder of the installation will be installed either overhead or underground at the Customer's discretion.
4. The Customer will pay the Company the amount, if any, by which the cost contained in Paragraphs D.1. and D.3. exceeds two times the continuing estimated annual revenue - less fuel charge revenue - that can reasonably be expected.
5. In reference to installations in D.2. and D.3, above, should the Customer request underground facilities when the composition of the land is such that normal trenching cannot be used, then the Customer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching. Revenue credit is not applicable to this charge.

E. Within any major metropolitan, high-load density center which the Company has designated as an "Underground Distribution Area," the Company will make electric underground line extensions to all Applicants upon payment of the excess of two years' revenue. However, the Company shall not be obligated to construct or own any electric underground line extension on the property of the Applicant.

F. Provided the Applicant's preferred meter base location is acceptable to the Company, the Applicant may install meter bases at locations other than those designated by the Company when the Applicant pays the additional cost of providing service to the actual meter base location as compared to the Company's designated location.

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- G. The Company will normally provide three-phase service to Applicants that meet the requirements for three phase service established in the Company's published Information and Requirements for Electric Service. If an Applicant requires three-phase service but does not meet this requirement, the Applicant shall pay the amount, if any, by which the cost of constructing a three-phase extension exceeds the cost of constructing a single-phase extension to meet the same kilovolt-ampere load. Such payment will be required in addition to any other charges required by the Company.
- H. Service Upgrades:
1. Residential (not located within an area designated by the Company as an Underground Distribution Area)
 - a. The Company will provide Service to previously served individually metered Permanent Residences in accordance with the provisions stated herein.
 - b. The Company will replace inadequate overhead facilities with adequate overhead facilities at no cost to the Customer.
 - c. The Company will replace inadequate underground facilities with adequate underground facilities at no cost to the Customer, except as otherwise provided in this subparagraph. When the Company deems the composition of the land is such that normal trenching cannot be used, then the Customer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching.
 - d. For Residential Customers where there is a change in service characteristics, the Company will provide service in accordance with Paragraph H.2.
 2. Nonresidential (not located within an area designated by the Company as an Underground Distribution Area)
 - a. The Company will provide new facilities required to provide Service to previously served individually metered nonresidential Customers in accordance with Paragraph D.

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- b. The estimated annual revenue credit in D.4. will only include the incremental continuing estimated annual revenue, less fuel charge revenue, that can reasonably be expected. Incremental estimated revenue is defined as the revenue associated with the additional usage that will be added after the Company's facilities are upgraded.
- c. The incremental revenue credit can also be applied to the estimated cost of the removal of existing facilities that are being replaced with new facilities as part of the upgrade. The total incremental revenue credit applied to a nonresidential upgrade will not exceed two years.
- d. When the Company deems the composition of the land is such that normal trenching equipment cannot be used then the Customer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching. Revenue credit will not apply to this charge.

I. Conversions

- 1. When a Customer requests the Company to convert existing adequate overhead secondary facilities to underground, such service will be furnished, provided the Customer pays to the Company an amount equal to the estimated cost of removing the adequate secondary overhead facilities, plus the estimated installation cost of the underground facilities.
- 2. When a Residential Customer requests the Company to convert existing inadequate overhead secondary facilities to underground, the Customer will receive credit for improving the overhead facilities as needed to provide adequate capacity. This credit will be applied to the total cost of the conversion project.
- 3. When a Nonresidential Customer requests the Company to convert existing inadequate overhead secondary facilities to underground, the Customer will receive two years incremental revenue credit applied to the total cost of the conversion project. Incremental estimated revenue is defined as the revenue associated with the additional usage that will be added after the Company's facilities are converted.

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4. For installations in accordance with I.2. and I.3., above, when the Company deems the composition of the land is such that normal trenching equipment cannot be used then the Customer will pay the Company the amount by which the estimated cost of providing underground facilities exceeds the estimated cost of providing normal trenching. Any credit listed above will not apply to this charge.
 5. When a Customer requests the Company to convert existing overhead primary facilities (greater than 600 Volts) to underground, the Customer will pay the Company the estimated removal cost of the overhead primary facilities, less salvage, plus the estimated installation cost of the underground facilities.
- J. The design of the Company's facilities shall be in accordance with the Company's standard materials and design practices, in accordance with good engineering practices, and in accordance with the Company's long-term plan for the area. Charges for electric line extensions shall be in accordance with such design and, unless otherwise provided for in this Section XXII, shall be determined using the Company's estimated cost of the described work.
- K. When any governmental authority requires by any method, including but not limited to, an ordinance, franchise or administrative ruling, that electric lines and related facilities be located or relocated underground, to the extent such installations of underground facilities is not otherwise covered by this Section XXII, the cost incurred by the Company properly attributable to such installation will be charged, in a manner approved by the Commission, to the Customers receiving electric service within the jurisdiction imposing the requirement.
- L. The Company shall not be required to make any electric line extension on private property until the property owner has granted to the Company an easement of right-of-way for the construction, operation and maintenance of such line extension. The Applicant may be required to secure rights-of-way on private property without cost to the Company, or to assist the Company in obtaining rights-of-way.
- M. The Company shall not be required to make any electric line extension until the Applicant(s) to be supplied from such line extension has:
1. made application for service,
 2. signed the applicable line extension agreement(s),
 3. paid any applicable line extension charges,

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4. provided adequate certification of proper site preparation and agreed to make payment for the cost of corrections due to inadequate site preparation,
 5. made ready for service, including wiring, all premises to be supplied with electric service, and
 6. fulfilled any unusual conditions for the connection of electricity as may be required by the Company.
- N. When required to determine the line extension charge(s), the Company shall determine the amount of revenue reasonably expected to result from the extension or improvement. Where the Company and the Applicant(s) cannot agree on the amount of the expected revenue, but the Applicant(s) has made a bona fide demonstration of the expected revenue, the Company shall require the Applicant(s) to provide adequate written assurance of the expected revenue and a sufficient form of security to support the assurance. Forms of security shall be limited to cash deposit, a bond with surety, or an irrevocable letter of credit, where the terms of such security instruments are acceptable to the Company, or other mutually agreeable form of security. The offer, however, of the Applicant(s) to provide an otherwise acceptable assurance of the expected revenue supported by an acceptable form of security shall not obligate the Company to extend or to improve facilities where the Applicant(s) cannot make a bona fide demonstration of expected revenue.
- O. The Company will make electric line extensions other than those specified herein under the conditions specified in the Company's electric line extension agreements on file with the Commission.
- P. If a proposed electric line extension is of such great length or high cost, or if in the Company's opinion, the anticipated revenue from such line extension is insufficient or temporary, or if the Applicant or Applicants to be supplied are unable to establish a credit standing satisfactory to the Company, the Company reserves the right to determine finally the advisability of making such line extension.

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- Q. Whenever it is determined that a line extension on private property to serve one Applicant will be built by the Applicant such line extension (1) shall start within 100 feet of the Company's line, (2) shall be constructed in compliance with the Company's standards and be approved by the Company, (3) shall be maintained by the Applicant at all times in a manner satisfactory to the Company, and (4) the Applicant shall assume all liability for the maintenance and operation of the line. If the line owned by the Applicant is not operated and maintained in a manner satisfactory to the Company, or, in the Company's opinion, may interfere with or be detrimental to the supply of electricity by the Company or any other Customer, then the Company may discontinue the supply of electricity as provided in Section XVI -- Discontinuance of the Supply of Electricity. After such discontinuance the supply will not be restored until conditions are made satisfactory to the Company as provided in Section XVII -
- Reconnection of the Supply of Electricity.
- R. These general rules and regulations shall not be construed as prohibiting the Company from making electric line extensions of greater length or higher cost, provided there is no discrimination between Customers using electricity under the same classification.