

TERMS AND CONDITIONS

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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. Approach Lines - Primary voltage facilities extending from an existing source to the limits of a recorded section of the development or subdivision being served within which (a) new buildings are awaiting electric service, (b) construction of buildings is underway and nearing completion, or (c) construction has commenced for roads, sewers or other infrastructure for which a governmental authority requires a bond. When a development or subdivision or section thereof includes wetlands, buffer zones, or other similar areas, facilities that cross such areas shall be considered as approach lines.
2. 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.
3. 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.
4. Local Distribution Lines - Facilities within the development not otherwise defined as approach lines.
5. 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.

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6. Primary Voltage Facilities - This and other references to "primary" refers to electric distribution facilities operating at 2,000 Volts or more.
  7. 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 May 27, 1993 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.
  8. Revenue - The continuing revenue reasonably anticipated from the Applicant as a result of the extension or improvement, less fuel revenue.
  9. Secondary Voltage Facilities - This and other references to "secondary" refers to electric distribution facilities operating at less than 2,000 Volts.
- C. To render service to separately-metered residences not previously supplied with electricity, the Company normally provides single-phase primary line extensions to reach the vicinity of new home construction using the standard overhead or underground construction method having the lowest initial cost. For local distribution facilities within a residential development, and for secondary voltage facilities to serve individual residences not within a development, the construction costs and customer charges described below are applicable.
1. For residential developments, the charge for local distribution facilities is the excess of two years' revenue. To calculate the excess of two years' revenue, the revenue credit shall be based on the annual kWh consumption allowances from TABLE 1 and the construction cost shall be determined as follows:
    - a. For detached single-family homes in a development where all lots are 30,000 square feet or less, the construction cost shall be \$2,382 for each residence.

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- b. For row homes and duplexes, the construction cost shall be \$969 for each residence.
- c. For garden-type homes, the construction cost shall be \$725 for each residence.
- d. For detached single-family homes in a development with at least one lot larger than 30,000 square feet, the construction cost and customer charge shall be determined as follows:
  - 1. The estimated construction cost to provide local distribution lines only to the lots larger than 30,000 square feet within the development (or separately recorded section thereof), divided by the number of lots served by those facilities shall determine the construction cost per residence.
  - 2. The estimated construction cost to provide local distribution lines only to the lots 30,000 square feet or less shall be in accordance with Subparagraph C.1.a.
  - 3. The customer charge to provide the facilities in Subparagraphs C.1.d.1. and C.1.d.2. to a specific residence is the amount by which the cost per residence exceeds the anticipated two-year revenue of that residence. The charge is determined separately for each individual residence and shall not be less than zero. Therefore, any excess revenue credit from one residence is not used to offset a revenue deficiency from another residence.

Note: The cost to serve lots greater than 30,000 square feet in a development with intermingled lots (i.e., some lots less than 30,000 square feet and some lots greater than 30,000 square feet) will be calculated by dividing the total development construction estimate, less \$2,382 times the number of lots less than 30,000 square feet, by the number of lots greater than 30,000 square feet.

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- e. Should an applicant request overhead service for any home described under Subparagraphs C.1.a., C.1.b., C.1.c., or C.1.d., above, such service will be provided upon payment of the estimated cost to serve, less the applicable revenue credit.
2. For residences not within a residential development, the charge for secondary voltage facilities, including service lines, is the excess of one year's revenue. The revenue credit allowed shall be determined using the annual kWh consumption allowances shown in TABLE 1.

TABLE 1			
ANNUAL kWh CONSUMPTION ALLOWANCES			
	<u>Detached Single- Family Homes</u>	<u>Row Homes and Duplexes</u>	<u>Garden- Type Homes</u>
Base Use	7,653 kWh	5,587 kWh	3,325 kWh
Electric Water	3,734 kWh	3,734 kWh	3,734 kWh
Heating			
Electric Central Air Conditioning	2,856 kWh	1,360 kWh	1,364 kWh
Electric Space Heating (Permanent)	5,228 kWh	3,519 kWh	2,691 kWh

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In the event the cost of extending approach lines to a residential development exceeds six years' revenue, the Customer shall pay the excess of six years' revenue. If the cost of extending primary voltage facilities to a residence not within a residential development exceeds seven years' revenue, the Customer shall pay the excess of seven years' revenue. If such approach lines or primary voltage facilities are to be installed by some method other than that having the lowest initial cost, the Customer shall pay the additional cost of the facilities to be installed plus the charges, if any, normally applicable for the lowest cost method.

Electric service is not provided under this Paragraph C. to recreational dwellings, garden-type homes or similar multi-family residential structures which exceed two floors above the ground-level floor, residences within an area designated by the Company as an "Underground Distribution Area", or appurtenances to a residential dwelling.

- D. 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. For overhead facilities, the excess of two years' revenue.
  2. For underground facilities, any charges that would have been applicable to the provision of overhead service, plus the cost difference.

The charges for outdoor lighting facilities installed in accordance with Schedule 26 shall be as specified in the Terms and Conditions of that schedule.

- E. For extensions to serve a residential development or a nonresidential development of more than one property, the following shall apply:
1. The Applicant shall install Company provided conduit, at locations specified by the Company, for underground conductor crossings of private and public roads and driveways within the development.

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2. The Applicant shall 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.
3. When a local distribution line extension provided in accordance with Paragraph C.1. will extend beyond the limit specified below, the Company will require payment for proposed residences that are passed by the extension and are beyond said limit unless a waiver is granted at the Company's discretion. No revenue credit will be given initially. If service is connected to a residence within four years of payment, the full amount of the original payment for the newly served residence will be returned to the payee of record as a refund and the Applicant applying for service shall be required to pay the applicable line extension charges in effect at that time. Notice of the refund will be served upon the payee at the address on the Company's records. The refund must be claimed within 60 days of the provision of such notice and shall not be available after 60 days has elapsed.

The applicable limit shall be a radius of 1,250 feet as measured from either of the following:

- a. The point where the facilities enter the section of the development in question.
  - b. Existing local distribution facilities within the section of the development in question.
- F. 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.
- G. 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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- H. The Company will normally provide three-phase service to Applicants having one three-phase motor larger than five horsepower, or to Applicants having multiple three-phase motors which total at least 15 horsepower provided the motors are properly sized for their expected use. 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.
- I. When more than one Applicant is to be served from a bulk power extension, the Company may charge each Applicant a pro rata share of the line extension charges specified under this plan attributable to bulk power facilities.
- J. Normally, the Company does not install overhead facilities in areas served (or contracted to be served) by an underground distribution system. However, where adverse conditions exist which would cause an excessive investment by the Company if underground facilities were installed, overhead facilities may be utilized as needed to avoid such excessive investment. Should the Applicant or local ordinance require the installation of underground facilities, the Applicant shall pay the normal charges for underground service plus the estimated amount by which the cost of providing underground facilities under the adverse conditions exceeds the cost of providing underground facilities under normal conditions.
- K. When existing service facilities are to be replaced because the Customer requires a change in the characteristics of electricity supplied or when existing overhead service facilities are to be converted to underground, the Customer shall pay both of the following:
  - 1. Any applicable charge under Paragraph L., below, for improving the facilities as needed to provide adequate capacity.
  - 2. The cost of performing the requested work less the cost to improve the existing facilities as required for providing adequate capacity.
- L. The Company shall not be obligated to make any improvement not otherwise addressed in this Section XXII when the estimated cost to the Company of such work exceeds two times the net additional annual revenue.

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- M. 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.
  
- N. 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.
  
- O. 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.
  
- P. 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 written application for service,
  - 2. signed the applicable line extension agreement(s),
  - 3. paid any applicable line extension charges,
  - 4. provided adequate written 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

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6. fulfilled any unusual conditions for the connection of electricity as may be required by the Company.
  
- Q. 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.
  
- R. 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.
  
- S. 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.
  
- T. 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

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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.

- U. 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.