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First Revised

Sheet No. R114

Sub. Original

Cancels  
Sheet No. R114

## RULES AND REGULATIONS

## ELECTRIC SERVICE

## SERVICE CONNECTION AND DISTRIBUTION LINE EXTENSION POLICY

CONSTRUCTION ALLOWANCE AND CONSTRUCTION PAYMENTS - Cont'dPLAN A - PERMANENT SERVICE - Cont'd

A Construction Allowance will be credited only when service is physically connected, except that for the initial determination on new extensions, Construction Allowances may be made if Company estimates service will be physically connected within sixty days. The above allowances are subject to review and appropriate revision by filing of new Construction Allowances with the Public Utilities Commission within thirty days following a final decision in a Company rate proceeding, based on the appropriate gross distribution investment amounts included in that proceeding.

Applicant or applicants shall be required to pay to Company as a Construction Payment all estimated costs for electric distribution facilities necessary to serve applicant or applicants in excess of the Construction Allowance, except in instances where the applicant is an incorporated city or town, county, state governmental entity, federal governmental entity, or quasi-governmental entity as determined by Company. Said Construction Payment shall be refundable in part or in its entirety during a ten-year period commencing with the Extension Completion Date. At the end of the Open Extension Period any remaining Construction Payment becomes non-refundable.

However, applicant or applicants may opt for Company to advance the Construction Payment by entering into a Construction Payment Agreement with the Company. Any applicant electing this option shall make monthly installment payments that will cover the Company's costs of such investment. The Construction Payment Agreement allows the applicant to have advanced a minimum of \$500.00 and thereafter in increments of \$100.00 for a one, three, five or ten year term. The maximum amount to be advanced under the Construction Payment Agreement will be \$5,000 for Residential and \$10,000 for Commercial customers. At the Company's discretion, additional amounts may be advanced with Company written approval, where applicant's financial condition is determined by the Company to be satisfactory. Applicant retains the option to buy down any portion or all of the remaining Construction Payment Agreement balance at any time.

ADVICE LETTER  
NUMBER 1587DECISION  
NUMBER
  
VICE PRESIDENT,  
Rates & Regulatory Affairs
ISSUE  
DATE April 6, 2011EFFECTIVE  
DATE May 7, 2011