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BEFORE THE ARIZONA CORPORATION COMMISSION
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KRISTIN K. MAYES, Chairman
GARY PIERCE
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SANDRA D. KENNEDY
BOB STUMP

2009 AUG 13 P 4: 25

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE FOR A
HEARING TO DETERMINE THE FAIR
VALUE OF THE UTILITY PROPERTY OF
THE COMPANY FOR RULEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN.

DOCKET NO. E-01345A-08-0172

**STAFF'S NOTICE OF FILING
REPLY TESTIMONY IN SUPPORT OF
PROPOSED SETTLEMENT AGREEMENT**

Staff of the Arizona Corporation Commission ("Staff") hereby provides notice of filing its Reply Testimony in Support of Proposed Settlement Agreement in this Docket. An original and thirteen copies are submitted of the Reply Testimony of Elijah O. Abinah.

RESPECTFULLY SUBMITTED this 13th day of August, 2009.

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Original and thirteen (13) copies of the foregoing were filed this 13th day of August, 2009 with:

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Phoenix, Arizona 85008

Arizona Corporation Commission
DOCKETED

AUG 13 2009

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**REPLY
TESTIMONY
SUPPORTING THE SETTLEMENT AGREEMENT
OF**

ELIJAH O. ABINAH

DOCKET NO. E-01345A-08-0172

**IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
A HEARING TO DETERMINE THE FAIR
VALUE OF THE UTILITY PROPERTY OF THE
COMPANY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP SUCH
RETURN**

AUGUST 13, 2009

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION OF)
ARIZONA PUBLIC SERVICE COMPANY FOR)
A HEARING TO DETERMINE THE FAIR)
VALUE OF THE UTILITY PROPERTY OF THE)
COMPANY FOR RATEMAKING PURPOSES,)
TO FIX A JUST AND REASONABLE RATE OF)
RETURN THEREON, TO APPROVE RATE)
SCHEDULES DESIGNED TO DEVELOP SUCH)
RETURN.)

DOCKET NO. E-01345A-08-0172

REPLY TESTIMONY
SUPPORTING THE SETTLEMENT AGREEMENT
OF
ELIJAH O. ABINAH
ASSISTANT DIRECTOR
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

AUGUST 13, 2009

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EXECUTIVE SUMMARY
ARIZONA PUBLIC SERVICE COMPANY
DOCKET NO. E-01345A-08-0172

My Reply Testimony adopts the testimony filed in by Mr. Ernest Johnson on July 1, 2009, on behalf of the Utilities Division, in support of the Settlement Agreement. I also explain that parties opposing the settlement have raised an issue concerning Schedule 3 that is strictly a policy issue of whether existing customers should pay for growth or should new customers (the cost causers) pay for growth. Staff supports the Settlement Agreement as filed without modifications.

1 **INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Elijah O. Abinah. My business address is 1200 West Washington Street,
4 Phoenix, Arizona, 85007.

5
6 **Q. Where are you employed and in what capacity?**

7 A. I am employed by the Utilities Division ("Staff") of the Arizona Corporation Commission
8 ("ACC" or "Commission") as the Assistant Director.

9
10 **Q. Did you previously testify in this Docket?**

11 A. No. But I intend to adopt the testimony filed by Mr. Ernest Johnson on July 1, 2009, on
12 behalf of the Utilities Division, in support of the Settlement Agreement.

13
14 **Q. Are you familiar with the Settlement Agreement filed on June 12, 2009 by the
15 parties?**

16 A. Yes.

17
18 **Q. Were you involved in the Settlement process?**

19 A. Yes.

20
21 **PURPOSE**

22 **Q. What is the purpose of your Reply Testimony?**

23 A. As stated above, the purpose of my testimony is to adopt Mr. Johnson's testimony that
24 was filed on July 1, 2009, and to further discuss the issue of line extension (Schedule 3),
25 free footage.

26

1 **Q. Is Staff proposing any changes to the Agreement or Staff's testimony?**

2 A. No. Staff continues to support the Agreement as proposed. Staff believes the Agreement
3 as proposed is in the public interest.

4

5 **Q. Have you reviewed all the letters filed in the docket in relation to Schedule 3 (line
6 extension)?**

7 A. Yes.

8

9 **Q. Can you please briefly describe Section X of the Settlement Agreement.**

10 A. Yes.

11

12 Section X contains seven paragraphs. Paragraph 10.1 provides that APS will record
13 Schedule 3 receipts as revenue for a limited time, specified therein. Paragraph 10.2 states
14 APS' estimates of the amount of Schedule 3 revenues for each year, 2010 through 2012.
15 Paragraph 10.3 indicates that the Agreement maintains the Commission's current policy
16 regarding customer payments for line extensions. The Commission's current policy is for
17 no free footage allowance. The focus of the parties opposing the Agreement appears to be
18 solely on Paragraph 10.3, and specifically they would like to have a free footage
19 allowance reinstated. Paragraph 10.3 also provides that, should the Commission decide to
20 modify Schedule 3 in this proceeding (such as to provide for some reinstatement of a free
21 footage allowance), the Signatories contemplate that offsetting revenue changes should be
22 ordered that would make such modifications revenue neutral to the provisions of this
23 Agreement. Paragraphs 10.5 and 10.6 provide that the Impact Fee and System Facilities
24 Charge proposed by APS are withdrawn. Paragraph 10.7 provides for APS to make
25 certain revisions to Schedule 3 to improve it in response to customer complaints.

26

1 **Q. Does Staff believe that an allowance for free footage is largely a policy issue?**

2 A. Yes. First, let me make it clear that Staff supports the Settlement Agreement as proposed.
3 However, if the Commission were inclined to revisit the issues regarding free footage,
4 Staff believes that the relevant issue is one of policy, not technical in nature.
5

6 **Q. Can you please explain.**

7 A. The issue of some sort of free footage allowance comes down to who pays for what.
8 Should the existing customers pay for extensions, or should the new customers (the cost
9 causers) pay for growth?
10

11 **Q. Based on the testimony filed by individuals in opposition to the Settlement
12 Agreement, and various letters filed in this docket, is Staff recommending a different
13 treatment of Schedule 3 receipts?**

14 A. No. Staff supports the Settlement Agreement as proposed. The policy embodied therein
15 continues the Commission's existing line extension policy, which eliminates free footage
16 for certain line extensions. However, in order to assist the Commission, should it be
17 inclined to revisit this issue, Staff believes that the Commission may consider the
18 scenarios presented in Mr. Smith's testimony.
19

20 **Q. Have you reviewed the letter docketed by Chairman Mayes on August 5, 2009?**

21 A. Yes, Staff reviewed the letter. Staff intends to respond to the Chairman's letter at the
22 hearing, where applicable.
23

1 **Q. Did Staff perform any analysis and/or surveys of other state jurisdictions on the**
2 **treatment of line extensions?**

3 A. Yes. Staff researched various Commission rules and regulations in other states, and
4 various electric service providers' tariffs. Staff was able to compile information on how
5 other jurisdictions address issues similar to that presented by APS' Schedule 3 (line
6 extensions). This survey is attached to my testimony.

7

8 **Q. Does this conclude your Reply Testimony?**

9 A. Yes.

LINE EXTENSION ALLOWANCE NATIONWIDE SUMMARY

August 10, 2009

1) Alabama

Alabama Power - Each utility shall have on file with the Commission an acceptable policy for extensions of its service where such extensions are in excess of the regular rates for service and for which the customer shall be required to pay all or part of the cost. Such policies shall be kept current by the utilities and shall be subject to review by the Commission. Such policies shall be the basis upon which a customer's cost for such extensions will be paid.

2) **Alaska** - Free allowance defined in each utility's tariff; reviewed tariffs of three companies, and they allowed new service credits per lot of \$1,000, \$3,000, and \$3,100.

3) Arkansas

Entergy - The Extension Allowance for permanent single residential applications is \$1000. The Extension Allowance for a residential application in a planned development is \$250. Residential meters used by the Company for billing purposes are provided at no cost to the Applicant. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

4) **California** - In order to foster competition, the Commission decided to delete the requirement for free footage for new line extensions. Each utility establishes its extension allowance, i.e., PG&E shows that a new customer receives an allowance towards his installation cost. The allowance is calculated as the Net (anticipated) Distribution Component Revenue for a year divided by the Cost of the Service Factor (Rate of Return, Maintenance, overhead and other utility costs). The customer gets a quote from the utility and then can shop for an approved competing contractor. For residential line extensions, a fixed allowance is provided based on average residential consumption. The allowance is first applied towards the service extension (line from transformer to service panel) and the rest to the primary distribution line extension, if required.

5) Colorado

Xcel (Public Service Corporation Colorado) - \$720 allowance.

6) Connecticut

United Illuminating - Additional Customer Requirements: (b) The Customer shall furnish, free of cost to the Company, upon its Premises the necessary space and provide, in conformity with the Company's specifications and subject to its approval, suitable foundations, supports, housing, equipment replacement access, equipment ventilation, grounding, wiring, conduit, and fittings for any transformers, switching arrangements, meters, and other apparatus required in connection with the supply of electricity. (c) Overhead Wires: One span of overhead wires will be installed at the Company's expense between the overhead

wires in the street and the Customer's service entrance wires. (d) Additional Poles and Wires: Upon the Customer's request, and subject to Company approval, additional poles and wires will be furnished and installed on private property, in conformance with Company specifications, additional poles and wires must be paid for by the Customer. The Company will assume ownership and maintenance of such additional poles and service wires on private property if given written permission by the owner of the property.

7) Delaware

Delmarva Power - If the service exceeds 300 feet, the Applicant shall pay the Company the additional installed cost for the length greater than 300 feet, based on the average installed cost per foot for residential services installed during the preceding calendar year. Any such payments shall not be waived or refunded.

8) Florida

Florida Power & Light - (a) The CIAC for new or upgraded overhead facilities (CIACOH) shall be calculated as follows:

CIACOH = Total estimated work order job cost of installing the facilities - Four years expected incremental base energy revenue - Four years expected incremental base demand revenue, if applicable.

9) Georgia

Georgia Power - The Company shall not be required to spend more than 3.5 times the estimated annual base rate revenue for providing residential service. Where the cost to serve does exceed this maximum expenditure, a payment in the amount of such excess will be obtained.

10) Hawaii

Hawaii Electric Company - The power company will, at its expense, furnish and install a single span of service conductors from its pole or other aerial support, to the customer's approved point of attachment. The utility will connect to the service entrance conductors, provided such support is of a type acceptable to the utility and complies with all applicable ordinances and requirements.

11) Idaho - No laws or rules of general applicability regarding electric line extensions. Each utility has specific provisions in their tariffs. As a matter of policy, the Commission has been moving away from the free footage concept and towards giving customers an "allowance" for terminal facilities, which is credited against the total line extension cost.

12) Illinois - First 250 feet free.

13) Indiana

Indianapolis Power and Light - Standard Term Contracts - An extension of the Company's service facilities, including changes from single phase to three phase, will be made at the Company's expense if, in the judgment of the Company, the Revenue as computed by the Company exceeds the Cost of Installation as

computed by the Company. If the Cost of Installation above exceeds the Revenue above, the Developer must pay the difference to the Company.

Short Term Contracts - There shall be an estimate made of the Actual Cost of the line extension. The Developer shall deposit the amount of the estimated Actual Cost with the Company prior to the commencement of the work.

14) **Iowa** - First 50 feet free.

15) **Kansas** - First 75 feet free.

16) **Kentucky** - Defined in each utility's tariff; 800 feet free footage allowance.

17) **Louisiana**

Entergy Louisiana – Company funded line extensions and/or additions of not more than 36 times the minimum monthly revenue that customer to be served will satisfactorily guarantee for a minimum period of 36 months. If customer does not make commitment, then the minimum monthly revenue guarantee sum must be: 1/36 of Company's portion of cost of extension/addition and 1/72 of customer's contribution to cost of extension/addition.

18) **Maine** - No part of a private line extension is constructed by an electric utility without charge. The largest utility does provide a subsidy of \$2,800 or the actual cost of the line, whichever is less, to qualifying low income customers.

19) **Maryland** - Generally, customers must pay the full amount of extensions on their own property. System extensions that are constructed in a manner that improves the system or could serve other customers are provided with a subsidy and recovered in base rates. There is a \$1 per foot maximum charge for overhead extensions made along a public street.

Allegheny Power – First 1500 feet free.

20) **Massachusetts**

Western Massachusetts Electric Co ("WMECO") line extension policy states the following:

In consideration of anticipated average revenue, WMECO will extend one pole and one span of overhead construction on a public way, at no cost to the customer. WMECO will also provide one span of overhead secondary service (limited to 400 ampere service entrance capacity for non-residential customers) on private property, at no charge to the customer. For all construction beyond the allowances specified above, the customer will be required to contribute the excess costs.

21) **Michigan** - Each company has a line extension program and most allow free footage 200 to 300 feet.

22) Minnesota - There is not a specific statute or rule in Minnesota regarding electric line extensions. Each utility does have Commission-approved tariffs covering line extensions.

Northern States Power Company, d/b/a Xcel Energy, is the largest electric utility in Minnesota. The basic "free" footage for standard residential installations is 100 feet. The current excess footage charge is \$6.85 per circuit foot. For commercial/industrial customers, there is no explicit "free" footage, rather the cost of extending service is based on a formula which includes anticipated revenues.

Minnesota Power & Light Company has a different approach, which is a set dollar amount cap on the cost of the service extension, rather than a footage allowance. Minnesota Power's tariff states the following:

BASIS FOR MAKING EXTENSIONS FOR PERMANENT SERVICE WHERE EXTENSION COSTS ARE \$30,000 OR LESS

If the Extension Cost does not exceed \$850 and Company's standard type construction is used in making the extension, Customer shall not be required to make payment to Company for the Extension Cost.

If the Extension Cost exceeds \$850, and is for single phase service, customer must pay Company in advance a Contribution for the Extension Cost in excess of \$850.

If the Extension cost exceeds \$850 and is for non-single phase service, Customer has the following options:

1. Pay Company in advance a Contribution for the Extension Cost in excess of \$850, or
2. No advance contribution for extension costs will be required, if the customer enters into a five year Electric Service Agreement where the Company's costs relating to the entire extension are equal to or less than three times the Customers guaranteed annual revenues, or
3. If the Customer enters into a five year Electric Service Agreement where the Company's costs relating to the entire extension are greater than three times the Customer's guaranteed annual revenues, the Customer will be required to pay the Company in advance a Contribution for the balance of the Extension Cost not supported by guaranteed annual revenues.

23) Mississippi

Entergy Mississippi, Inc. – First 600 feet free.

24) Missouri - Each of the four regulated electric utilities has its own free footage allowance; two allow for 1,000 free feet, one allows 1,320 free feet, and one allows 100 free feet.

25) Montana – 150 feet free overhead and 100 feet free underground.

26) Nebraska - All electric utilities (171) are publicly owned and not regulated at the state level with respect to services and rates. Jurisdiction is limited to the safety of construction, operation and maintenance of transmission lines outside municipal city limits. No state rules or tariffs establishing line extension guidelines for the electric industry.

27) Nevada - No free footage allowance for electric line extensions. Instead utility calculates how much electricity the incoming customer would be using the first year of service and the dollar value of that service is deducted from the cost, i.e., if the line extension would cost \$1,000 and the customer would use at least that much electricity the first year, there would be no cost to customer. Conversely, if the line extension would cost \$1,500 and the customer is projected to use \$1,000 the first year, the customer would pay \$500.

28) New Hampshire

Public Service Company of New Hampshire – First 300 feet free; 300 to 5,280 feet \$0.14 per foot, per month with 60 month contract.

29) New Jersey - According to NJ Administrative Code (“N.J.A.C”) §14:3-8-A regulated entity shall not pay for or financially support an extension or portion thereof described at (a) above except pursuant to an exemption under N.J.A.C. 14:3-8.8. The Board shall not consider the cost of the extension when determining the regulated entity’s rates under N.J.S.A. 48:2-21.

None of the four electric companies (Atlantic City Electric Company, Jersey Central Power and Light Company, Public Service Electric and Gas Company, and Rockland Electric Company) have free allowance policies.

30) New Mexico - No rules, laws, or tariffs implemented allowing a particular footage allowance by an electric utility at no charge to customer.

31) New York – First 500 feet free.

32) North Carolina - Commission Rule R8-24. Extensions.

Each utility shall adopt rules, subject to the approval of the Commission, under which it will, upon written request for service by a prospective consumer or a group of prospective consumers, located in the same neighborhood, make the extension necessary to give service and furnish service connection or connections.

Duke-Energy has the following in its tariff: Residences which are to be permanent customer locations on a residential rate schedule of the Company will be served from underground facilities as shown below -

New Service Installations Located in New Developments:

1. Service to new residences on lots averaging an acre (43,560 square feet), or less. No Charge.

2. Service to new residences on lots averaging more than one acre. No charge except for cost difference of new primary facilities exceeding 300 feet per lot.

New Service Installations Not Located in New Developments:

1. Service to new residences requiring new underground secondary voltage facilities from an above-ground distribution line on, or adjacent to, the lot on which the residence is located. No Charge
2. Service to new residences requiring new underground primary and secondary voltage facilities. No charge except for cost difference of new primary facilities exceeding 300 feet.

33) North Dakota - The North Dakota Administrative Code ("N.D.A.C") § 69-09-02-07 specifies the following:

1. It shall be the obligation of each utility to make reasonable extensions of its lines and services to new customers within any area in which it is authorized to serve.
2. Each utility shall file with the commission its rules for extending service to new customers, and shall file any changes in the rules which may be made from time to time.
3. If the utility does not consider that an extension within its service area is justified, the commission, upon request of one or more prospective customers to be served by the extension, may set the matter for public hearing to determine if the extension should be made, and the terms and conditions thereof.

Line extension/free allowance policies are specified in each utility's tariff. Only investor-owned utilities are regulated by Public Service Commission

Montana-Dakota Utilities Co. - A permanent extension may be constructed without a contribution if the estimated project construction cost is equal to or less than two times the estimated annual revenue (2 to 1 ratio). If the estimated project construction cost is greater than two times the estimated annual revenue, the extension will be made only with a contribution, which may be refundable.

Northern States Power Company - First 100 feet free allowance.

Otter Tail Power Company -The Company will, at its own expense, extend its facilities for supplying electric service when the anticipated revenue from the sale of additional service justifies the expenditure. If it appears to the Company that the expenditure may not be justified, the Company may require the customer to sign a contract guaranteeing a certain minimum amount of revenue over the first three years use of electric service, or such other initial period of service as may be determined by the Company, and to make an advance payment, as determined by the Company, to guarantee payment of this minimum amount of revenue. If the customer uses the specified minimum of electric service by the end of the said initial period of service, the advance will be refunded to him. However, if the customer uses less than the minimum, the amount of the deficiency will be billed to the customer, or will be deducted from the deposit, and the balance of the deposit, if any, will be refunded to the customer.

34) **Ohio** - New rules were approved in May of 2009, and they become effective August 24, 2009. The rules do not allow for a particular footage, but a dollar amount of up to \$5,000 to be paid by the utility for residential service (single family homes), and up to \$2,500 per unit for residential multifamily (two or more units).

35) **Oklahoma** – First 300 feet free.

36) **Oregon**

PacificCorp – Residential Allowance of \$750.

37) **Pennsylvania**

West Penn Power Co. tariff states the following:

Line extension provided without financing or guarantee plans not exceeding 1,000 feet; with not more than 400 feet on private property unless there is documented potential for additional Customers.

Citizens Electric Co. of Lewisburg tariff contains the following:

1. The Company requires a minimum revenue guarantee for installation of any length of single phase line extension in excess of 2,500 feet along the normal route of development of the distribution system, and for installation of all multi-phase line extensions. The guarantee period is 5 years or less.
2. Minimum revenue guarantee for single phase extensions are based only on the contractor costs, if any, and the direct labor costs and direct material costs attributable to construction of the line extension beyond the maximum extension distance. Guarantees for multi-phase extensions are based on fully allocated costs, and are credited with the equivalent single phase length allowance for up to 2,500 feet of new pole line along the normal route of development of the distribution system.
3. Any length of line extension on, or through, restricted lands is excluded from the line extension allowance and is subject to a line extension guarantee.
4. The excess cost of construction other than would normally be required for installation of the line extension, is paid by the Customer prior to installation.

38) **Rhode Island** - The Rhode Island Administrative Code (“R.I.A.C”) does not include regulations regarding line extensions. Each electric company has its own specific rules and regulations for line extensions. National Grid (overhead is the standard).

-Residents

The company provides up to two poles and two spans of overhead distribution line needed to serve the customer plus a service drop (that does not require a carrier pole) to the customer’s home free of charge. If more than two poles and two spans of overhead distribution line are required to serve the customer’s home, the customer will pay an “Overhead Installation Charge” The OIC will be equal to the number of feet of distribution line (beyond two poles and spans) required to serve the customer’s home, multiplied by the “Overhead Cost Per Foot”.

-Residential Developments

The company will provide 150 feet of overhead distribution line, not including the secondary service drop, per each “house lot” free of charge. If the number of

centerline feet of overhead distribution line required to serve the development ("Required Line Distance") is greater than the "Allowed Distance" of 150 feet per "house lot", then there will be a charge to the Developer for the overhead line extension for the additional feet Overhead Installation Charge. The additional charge shall be paid by the Developer in advance of the Company's construction. The OIC will be equal to the "Overhead Cost Per Foot" times the number of feet in excess of the "Allowed Distance" of 150 feet per House Lot (plus applicable tax contribution factor).

-Commercial, Industrial, and Existing Residential Customers

If the New Facilities being requested by the Customer consists of an overhead, single phase, secondary voltage distribution line extension that does not exceed two poles and two spans of line, the Company will provide the poles and spans of line needed to serve the New Facilities plus a service drop (that does not require a carrier pole) free of charge to the Customer. Otherwise, the costs of all poles and spans of line determined by the Company as needed to serve the New Facilities will be included in the cost.

39) South Carolina - Each electrical utility shall be obligated to comply with all requests for service in accordance with its schedules of rates and service rules and regulations on file with the commission and the ORS within areas assigned to it by the commission and within three-hundred feet of its lines as they existed on the date of assignment.

Duke Energy's reads, "The Company will extend its facilities and change the point of delivery only when the investment required is warranted by the anticipated revenue and when the extension is permissible and feasible."

40) South Dakota

Xcel Energy Inc. - First 100 feet free on private property and \$6.85 per circuit foot beyond 100 feet.

41) Tennessee - Defined in each utility's tariff; 800 feet free footage allowance.

42) Texas

Oncor - First 300 feet free.

Centerpoint - First 2,000 feet free.

43) Utah

PacificCorp - The Extension Allowance for permanent single residential applications is \$1100. The Extension Allowance for a residential application in a planned development where secondary voltage service is available at the lot line is \$350. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

44) Vermont

Central Vermont Public Service - the Company will place and construct primary and secondary service extensions. The total cost of providing the service extension,

including any tax assessments and recognizing any telephone company participation, less the credit for the service drop, if applicable, shall be paid by the party requesting the service extension.

Green Mountain Power - shall require full reimbursement for all of the costs of all line extensions installed at the customer's request, minus a service drop credit for each new single family residence or individual dwelling unit. The customer shall be charged for the line extension based on the average cost per foot of each construction element used in the line extension. The service drop shall include a 100 foot overhead power line(s) from the initial customer connection with GMP's secondary facilities to the Delivery Point.

45) Virginia - Each electric distribution utility (or electric cooperative) files a line extension policy as part of its tariffs (terms and conditions of service.) The general policy of the Commission in accepting such tariffs, and any proposed revisions that may be offered in a rate case, is a "reasonable and customary" standard. There is no set footage amount, it varies by company. The distribution company would bare the cost of such lines. However, if a line extension (or alteration) is required to serve and requested by a customer that is determined to go beyond what is considered reasonable and customary, then the customer would be responsible for the cost difference in order to accommodate service to that customer.

Virginia Electric & Power dba Dominion Virginia Power - that the Company will make single-phase electric line extensions to residential customers, three-phase residential line extensions, nonresidential line extensions, and line extensions to any appurtenance(s) of residential dwelling units in accordance with the following. The Customer will pay the amount, if any, by which the cost of the line extension exceeds four times the continuing annual revenue--less fuel charge revenue-- that can reasonably be expected from the extension. If a proposed electric line extension is of such great length or high cost, or if in the Company's opinion, the anticipated Electric Delivery Service revenue from such line extension is insufficient or temporary, or if the Customer or Customers 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. Whenever it is determined that a line extension on private property to serve one Customer will be built by the Customer 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 Customer at all times in a manner satisfactory to the Company, and
4. the Customer shall assume the liability for the maintenance and operation of the line. If the line owned by the Customer 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 its facilities or to the provision of Electric Service by the Company to any other Customer, then the Company may

discontinue Electric Service as provided in Section XVI--Discontinuance of Electric Service.

Northern Virginia Electric Cooperative - will extend its overhead or underground distribution lines to any permanent residential or commercial Customers who request service. Extensions shall be single phase unless the Cooperative elects to build poly-phase lines. NOVEC will provide, own, and maintain the line extension including poles, fixtures, transformers, wires, and appurtenances required to extend its overhead system so that the Cooperative's service wires can be attached to the Customer's building or other delivery point. Beyond this point of attachment, all additional wiring and all other facilities on the Customer's premises shall be provided by and remain the property of the Customer. The Cooperative will furnish adequate single phase service to all permanent residential and commercial connections, occupied on a full-time, year-round basis, within the territory allocated to NOVEC by the Commission under the Utilities Facilities Act of 1950. No line extension charge will be made for permanent single phase service except as required for underground service extensions.

46) Washington

PacificCorp - Extension Allowances: The Extension Allowance for Residential applications is \$1050. The Extension Allowance for Residential applications in a Planned Development is \$250.

47) West Virginia - Each utility's line extension rules rein their respective tariffs. Both of the two major electric utilities provide for residential extensions up to 1,000 feet with no customer contribution. Extensions beyond 1,000 feet require a customer contribution.

48) Wisconsin

Wis. Adm. Code Ch. PSC 113 addresses electric service extensions. It provides for embedded cost credits for customers requesting new service extensions that are somewhat comparable to the free footage concept.

PSC 113.1006 Embedded cost allowances. The average embedded cost of existing facilities shall be determined annually on a customer classification basis as follows:

1. **ENERGY ONLY CUSTOMERS.** For customer classifications billed on an energy usage only basis, the embedded cost of the distribution facilities allocated to those classifications shall be divided by the number of customers in the classification to specify an average embedded cost allowance per customer. The utility may create subclassifications of energy-only commercial classification based on customer service entrance capacity or other electrical loan criteria to specify average embedded cost allowances.
2. **DEMAND AND ENERGY CUSTOMERS.** For customer classifications billed on a demand and energy usage basis, the embedded cost for distribution facilities allocated to those classifications shall be divided by the total billed demand of those customers to specify an average embedded cost allowance per kilowatt of demand.

Wisconsin Public Service Corporation - For each permanent year-round dwelling, the Company will provide a single-phase line extension, excluding service drop, at no additional charge for a distance of 600 feet of which no more than 200 feet is a lateral extension on the customer's private property. For each permanent seasonal-type dwelling, the company will provide at no extra charge a 200-foot extension from a main line distribution feeder. During the five (5) year period immediately following the date of payment, the company will make refunds of the charges paid for a financed extension. The amount of any such refund shall be \$500 for each permanent electric service subsequently connected directly to the facilities financed by the customer. Directly connected customers are those which do not require the construction of more than 300 feet of lateral primary distribution line. Such refunds will be made only to the original customer if still receiving service at the same location and will not include any amount of contribution in aid of construction for underground service made under the provisions of the company's underground service policy as set forth in this section. The total refund shall not exceed the refundable portion of the contribution.

49) Wyoming

PacificCorp - The Extension: Allowance for permanent single residential applications is \$1000. The Extension Allowance for a residential application in a planned development is \$250. Residential meters used by the Company for billing purposes are provided at no cost to the Applicant. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.