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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

DEL RAY HOLM,)	Case No. PAC-E-03-07
)	
Petitioner,)	PACIFICORP'S ANSWER AND
)	MOTION TO DISMISS
vs.)	
)	
UTAH POWER & LIGHT COMPANY/ PACIFICORP,)	
)	
Respondent.)	
)	

COMES NOW PacifiCorp, by and through its attorneys, and answers the Petition of Mr. Del Ray Holm and moves the Idaho Public Utilities Commission to dismiss this case. In support thereof, PacifiCorp states as follows:

1. PacifiCorp's representatives for service in this matter are:

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2. In connection with Petitioner's proposal to convert certain existing overhead distribution lines to underground lines, Petitioner has sought certain detailed cost information which PacifiCorp has not provided. Petitioner now seeks an order "requiring UP&L/PacifiCorp to provide cost data for installation of underground power lines and related facilities." Petition of Del Ray Holm ("Petition"), p. 1. Petitioner asks the Commission to issue such an order "in order that Del Ray Holm and Del Ray Holm and Sons Farms can intelligently and appropriately seek alternative bids which meet the specifications of UP&L for the installation." Petition, p. 2.

3. Petitioner's consultant, Carl Palmer, has already been provided with an itemization of the costs and credits for PacifiCorp's Labor & Vehicle, Material, Material Salvage and Accrued Depreciation, which provide the basis of the total costs for the two underground conversion proposals that are the subject of Petitioner's request. *See* Petition, Appendix C. Thus, even if Petitioner had the option of hiring someone else to convert the Company's distribution lines to underground (which option is not available, as discussed below), Petitioner

already has sufficient cost data for its evaluation. Accordingly, there is no need for the Commission to order the further disclosure of detailed item-by-item cost information.

4. Petitioner is seeking cost information for the purpose of seeking and evaluating “alternative bids” for the conversion of PacifiCorp’s overhead distribution lines to underground lines. However, Petitioner and its consultant are operating under the mistaken belief that they have some right to have someone else perform overhead to underground conversions of PacifiCorp’s facilities. No such right exists. Although PacifiCorp’s Electric Service Regulation No. 12 (“Regulation 12”) does include a provision for “Applicant Built Line Extensions,” Petitioner’s consultant was advised that a conversion such as that proposed by Petitioner is not a line extension under Regulation 12. (*See* Petition, Appendix E). Petitioner appears to be proceeding with the misconception that it has the option of treating the project as an Applicant Built Line Extension. (*See* Petition, Appendix D, wherein Mr. Palmer asks that “UP&L submit their Applicant Built Line Contract,” although PacifiCorp had already provided Customer Requested Work Agreements for the two projects.)

Under Regulation 12, a line “Extension” is defined as “a branch from, a continuation of, or an increase in the capacity of, an existing Company owned transmission or distribution line. An extension may be single-phase, three-phase or a conversion of a single-phase line to a three-phase line. The Company will own, operate and maintain all Extensions made under this regulation.” Regulation 12, a copy of which is attached hereto as Exhibit A.

Pursuant to Regulation 12, Section 5(a)(1), “An Applicant may contract with someone other than the Company to build a Line Extension.” The Electric Service Regulation does not include any provision allowing a customer to have someone other than PacifiCorp perform an

underground conversion of its facilities. With respect to conversions, Regulation 12 provides that when an applicant or customer requests the replacement of existing overhead distribution facilities with comparable underground facilities the applicant or customer must elect to either provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations required by PacifiCorp, or pay the Company to provide those items. *See* Regulation 12, Section 6(a).

While Regulation 12 allows the customer to elect “to provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations,” it *does not* allow the customer to elect to perform the electrical installation work or provide all the electrical equipment for which Petitioner seeks a cost breakdown, nor does Regulation 12 require the Company to provide any cost breakdown.

5. Preparation and disclosure of detailed cost itemizations such as those requested by Petitioner would be an unnecessary and unreasonable burden on the Company. Further, the disclosure of PacifiCorp’s actual direct costs of equipment may be prohibited under the contracts for PacifiCorp’s purchase of the equipment from various vendors, at least in the absence of protective agreements and orders from the Commission to produce such information.¹ The time and expense that would be incurred for such an effort is not warranted.

¹ Vendors often require confidential treatment of such information to prevent it from ending up in the hands of competitors who can then benefit from such knowledge.

WHEREFORE, PacifiCorp respectfully requests that the Commission deny the relief requested by Petitioner and dismiss this case.

DATED this 7th day of May, 2003.

PacifiCorp



Stoel Rives LLP
Attorneys for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of May, 2003, I caused to be served, via United States mail, postage prepaid, a true and correct copy of the foregoing PacifiCorp's Answer and Motion to Dismiss to the following:

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PO Box 2188
Boise, ID 83701

Scott Woodbury
Idaho Public Utilities Commission
472 West Washington
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Brandi R. Newhart



ELECTRIC SERVICE REGULATION NO. 12

STATE OF IDAHO

Line Extensions

1. CONDITIONS AND DEFINITIONS

- (a) **Contracts** -- Before building an Extension, the Company may require the Applicant to sign a contract. Where a tenant occupies the service location, the Company may require the property owner to sign the contract.
- (b) **Contract Minimum Billing** -- The Contract Minimum Billing is the greater of: (1) the Customer's monthly bill; or (2) 80% of the Customer's monthly bill plus the Facilities Charges. Customers on a seasonal rate receive an annual Contract Minimum Billing of the greater of (1) the Customer's annual bill; or (2) 80% of the Customer's annual bill plus the Annual Facilities Charge. The Annual Facilities Charge is twelve (12) times the Facilities Charges. Any Contracted Minimum Billings shall begin upon the date service is first delivered or 30 days after the completion of the extension whichever occurs first, as determined by the Company, unless a later date is mutually agreed upon.
- (c) **Engineering Costs** -- The Company includes designing, engineering and estimating in its Extension Costs. The Company will provide these services at no charge unless it determines the extension is large, complex or speculative.

For large, complex or speculative Extensions, the Applicant or Customer must advance the Company's estimated Engineering Costs, but not less than the minimum specified in Schedule 300. The Company will apply this advance payment to its Extension Costs. If the Extension Allowance exceeds the Extension Costs, the Company will refund the excess up to the amount of the Applicant's or Customer's advance.

(Continued)

1. **CONDITIONS AND DEFINITIONS** (continued)

(c) **Engineering Costs** -- (continued)

If the Applicant or Customer requests changes that require additional estimates, they must advance the Company's estimated Engineering Costs, but not less than the minimum specified in Schedule 300 for each additional estimate. The Company will not refund or credit this payment.

(d) **Extension** -- A branch from, a continuation of, or an increase in the capacity of, an existing Company owned transmission or distribution line. An extension may be single-phase, three-phase or a conversion of a single-phase line to a three-phase line. The Company will own, operate and maintain all Extensions made under this regulation.

(e) **Extension Allowance** -- The Extension Allowance is the portion of the Extension that the Company provides or allows without cost to the Applicant. The portion will vary with the class of service that the Applicant requests. The Extension Allowance does not include costs resulting from: additional voltages; duplicate facilities; additional points of delivery; or any other Applicant requested facilities that add to, or substitute for, the Company's standard construction methods or preferred route. An Extension Allowance will be provided only if the Company has reasonable assurance as to the permanent continuation of required revenue. The Extension Allowance is not available to customers receiving electric service under special pricing contracts.

(f) **Extension Costs** -- Extension Costs are the Company's total costs for constructing an Extension using the Company's standard construction methods, including services, transformers and meters, labor, materials and overheads.

(g) **Extension Limits** -- The provisions of this regulation apply to Line Extensions that require standard construction and will produce sufficient revenues to cover the ongoing costs associated with them. The Company will construct Line Extensions with special requirements or limited revenues under the terms of special contracts.

Examples of special requirements include, but are not limited to, unusual costs incurred for obtaining rights-of-way, overtime wages, use of special equipment and facilities, accelerated work schedules to meet the applicant's request, or non-standard construction requirements.

(Continued)

Submitted Under Advice Letter No. 00-06

ISSUED: July 14, 2000

EFFECTIVE: August 15, 2000



1. **CONDITIONS AND DEFINITIONS** (continued)

- (h) **Facilities Charges** -- The Facilities Charges are those costs associated with the ownership, operation and maintenance of facilities built to provide service and are in addition to rate schedule billings. Schedule 300 specifies the Facilities Charges.
- (i) **Permanent Service** -- Service to Customers where the Company is assured of continued use for more than five years, unless a contract specifies otherwise.
- (j) **Restrictions** -- The Company's Extension of facilities is subject to restrictions imposed during war or other emergencies, by the laws of the United States, the State of Idaho, by executive and administrative proclamations, by orders or regulations of the Commission or by any lawful requirement of a governmental body.
- (k) **Routes, Easements and Rights-of-Way** -- The Company will select the route of an Extension in cooperation with the Applicant. The Applicant must pay all costs of complete, unencumbered, rights-of-way, easements, or licenses to use land, and for any preparation or clearing the Company may require. The Applicant may acquire and prepare these in a form acceptable to the Company, or if requested by the Applicant, the Company will do so at the Applicant's expense.
- (l) **Regulation Previously in Effect** -- Rule changes do not modify existing Extension contracts. If a Customer advanced funds for an Extension under a regulation or a contract previously in effect, the Company will make refunds for additional Customers as specified in the previous regulation or contract.
- (m) **Service Conductors** -- The secondary-voltage conductors extending from the pole line, the underground secondary-voltage main, a secondary-voltage transformer, or a secondary-voltage switch cabinet to the Point of Delivery.

(Continued)



2. RESIDENTIAL EXTENSIONS

(a) Standard Residential

(1) Extension Allowances

The Extension Allowance for standard residential applications includes transformation facilities, meter and Service Conductors. Transformation facilities and Service Conductors may serve more than one customer.

Transformation facilities for overhead systems include the transformer, associated fuses, lightning arresters, grounds and supporting racks. The Company, at its discretion, may substitute secondary voltage conductors for transformation facilities. Transformation facilities for underground systems include the transformer and grounds.

The Service Conductor allowance includes the conductors, connectors and other equipment necessary to make the service connection. This allowance provides a maximum of 100 linear feet from a pole, connection box or transformer to the Point of Delivery.

The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

(2) Additional Customers, Advances and Refunds

A Customer that pays for a portion of the construction of an Extension may receive refunds if additional Customers connect to the Extension. The Customer is eligible for refunds during the first five (5) years following construction of an Extension. The cost responsibility shall be 100% for the first Customer and shall decrease by 20% for each successive Customer for shared facilities. Payments made to the Company by each successive Applicant shall, in turn, be refunded by the Company to the most recent previous Applicant.

(b) Remote and Seasonal Service and Service to Unimproved Subdivisions

(1) Extension Allowances

Residential customers defined as Remote or Seasonal Service customers or those located in Unimproved Subdivisions, have the same Extension Allowance as Standard Residential Customers.

(Continued)

(b) **Remote and Seasonal Service and Service to Unimproved Subdivisions (continued)**

(2) **Contracts**

The Company will make Extensions for Remote or Seasonal Residential Service or in an Unimproved Subdivision according to a written contract. The contract will require the Applicant to advance the estimated cost of facilities in excess of the Extension Allowance. The Applicant shall also pay a Contract Minimum Billing for as long as service is taken, but in no case less than 5 years.

(3) **Additional Customers, Advances and Refunds**

Customers that pay a portion of the construction of an Extension may receive refunds if additional Applicants connect to the Extension. The Customer is eligible for refunds during the first five (5) years following construction of the Extension. The cost responsibility shall be 100% for the first customer and shall decrease by 20% for each successive customer for shared facilities. Payments made to the Company by each successive Applicant shall, in turn, be refunded by the Company to the most recent previous Applicant. Customers in unimproved subdivisions platted prior to January 1, 1997, where electrical service had not been provided to any customer prior to that date, have a refund period of ten (10) years.

Additional Applicants must share the Facilities Charges of existing Customers.

Additional Applicants also must pay the estimated cost of any facilities exceeding the Extension Allowance.

(c) **Three Phase Residential Service**

Where three phase residential service is requested, the Applicant shall pay the difference in cost between single phase and three phase service.

(d) **Underground Extensions**

The Company will construct line Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section 6 of this regulation. The Applicant must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

(Continued)

Submitted Under Advice Letter No. 00-06

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3. **NONRESIDENTIAL EXTENSIONS**

(a) **High Voltage Extension Allowances**

The Company will determine the amount of the extension allowance on a case by case basis for customers taking service at 44,000 volts or greater.

(b) **Primary and Secondary Voltage Extension Allowances**

(1) **Less than 1,000 kW**

The Company will grant Nonresidential Applicants requiring less than 1,000 kW an Extension Allowance of \$90 per kW of estimated load. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction.

The Company may require the Customer to pay a Contract Minimum Billing for five years.

(2) **1,000 kW or Greater**

The Company will grant Nonresidential Applicants requiring 1,000 kW or greater an Extension Allowance of \$90 per kW of estimated load. The Applicant must advance the costs exceeding the Extension Allowance. Fifty percent of the advance is due when the contract is executed with the remaining balance due upon completion of the Extension.

The Customer must pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years. If service is terminated within the first 10 years, the Customer must pay a termination charge equal to the Extension Allowance less 1/10th of the allowance for each year service was taken.

(3) **Remote Service**

The Company will grant Applicants for Remote Nonresidential Service an Extension Allowance of \$90 per kW of estimated load.

The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

(Continued)



3. NONRESIDENTIAL EXTENSIONS (continued)

(c) **Additional Customers, Advances and Refunds**

A Customer that pays for a portion of the construction of an Extension may receive refunds if additional Customers connect to the Extension. The Customer is eligible for refunds during the first five (5) years following construction of an Extension for up to four (4) additional Customers. Each of the next four (4) Customers utilizing any segment of the initial Extension must pay the Company, prior to connection, a proportionate share of the cost of the shared facilities. The Company will refund such payments to the preceding Customer(s).

$$\text{Proportionate Share} = (A + B) \times C$$

Where:

$$A = [\text{Shared footage of line}] \times [\text{Average cost per foot of the line}]$$

$$B = \text{Cost of the other shared distribution equipment, if applicable}$$

$$C = [\text{New additional connected load}] / [\text{Total connected load}]$$

Additional Customers also must share the Facilities Charges of the existing Customers. The Company will allocate the Facilities Charges in the same manner used for allocating the original advance.

(d) **Underground Extensions**

The Company will construct Line Extensions underground when requested by the Applicant or if required by local ordinance or conditions. The Applicant must pay for the conversion of any existing overhead facilities to underground, under the terms of Section 6 of this regulation. The Applicant must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension. If the Applicant requests, the Company will provide these items at the Applicant's expense.

(Continued)

4. EXTENSIONS TO PLANNED DEVELOPMENTS

(a) General

Planned developments, including subdivisions and mobile home parks, are areas where groups of buildings or dwellings may be constructed at or about the same time. The Company will install facilities in developments before there are actual Applicants for service under the terms of a written contract.

(b) Contracts and Advances, Non-Residential

The Developer must pay a non-refundable advance equal to the Company's estimated installed costs to make primary service available to each lot. The Company may require the Developer to pay for facilities to provide additional service reliability or future development.

(c) Contracts and Advances, Residential

The Company will provide transformers, meters and services. The Developer must pay a non-refundable advance for all other costs including any secondary runs to the individual lot lines.

(d) Refunds

A Developer that pays for a portion of the construction of an Extension to reach a development may receive refunds if additional customers connect to the Extension outside the development under the terms of Advances and Refunds for Non-Residential Customers. The Company will refund such payments to the Developer. The Company will make no refunds for facilities installed within a development.

(e) Underground Extensions

The Company will construct Line Extensions underground when requested by the Developer or required by local ordinances or conditions. The Developer must pay for the conversion of any existing overhead facilities to underground, under the terms of Section 6 of this regulation. The Developer must provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires. If the Developer requests, the Company will provide these items at the Developer's expense.

(Continued)

5. EXTENSION EXCEPTIONS

(a) Applicant Built Line Extensions

(1) General

An Applicant may contract with someone other than the Company to build a Line Extension. The Applicant must contract with the Company before starting construction of a Line Extension. When the Applicant has completed construction of the Line Extension and the Company approves it, the Company will connect it to the Company's facilities and assume ownership.

(2) Liability and Insurance

The Applicant assumes all risks for the Construction of an Applicant Built Line Extension. Before starting construction, the Applicant must furnish a certificate naming the Company as an additional insured for a minimum of \$1,000,000. The Applicant may cancel the policy after the Company accepts ownership of the Line Extension.

(3) Advance for Design, Specifications, Material Standards and Inspections

The Applicant must advance the Company's estimated costs for design, specifications, material standards and inspections. When the Applicant has completed construction, the Company will determine its actual costs and may adjust that portion of the Applicant's advance. If the actual costs exceed the Applicant's advance, the Applicant must pay the difference before the Company will accept and energize the Line Extension. If the actual costs are less than the Applicant's advance, the Company will refund the difference.

The Company will estimate the frequency of inspections and convey this to the Applicant prior to the signing of the contract. For underground Line Extensions, the Company may require that an inspector be present whenever installation work is done.

(4) Construction Standard

The Applicant must construct the Line Extension in accordance with the Company's design, specifications, and material standards and along the Company's selected route. Otherwise, the Company will not accept or energize the Line Extension.

(Continued)



5. **EXTENSION EXCEPTIONS** (continued)

(a) **Applicant Built Line Extensions** (continued)

(5) **Transfer of Ownership**

Upon approval of the construction, the Company will assume ownership of the Line Extension. The Applicant must provide the Company unencumbered title to the Line Extension.

(6) **Rights-of-Way**

The Applicant must provide to the Company all required rights-of-way, easements and permits in accordance with paragraph 1.(k).

(7) **Contract Minimum Billing**

The Company may require the Applicant to pay a Contract Minimum Billing as defined in paragraph 1.(b) in this regulation.

(8) **Deficiencies in Construction**

If, within 24 months of the time the Company energized the Line Extension, it determines that the Applicant provided deficient material or workmanship, the Applicant must pay the cost to correct the deficiency. At its discretion, the Company may require that the Applicant provide a faithful performance bond before the Applicant begins construction.

(9) **Line Extension Value**

The Company will calculate the value of a Line Extension using its standard estimating methods. The Company will use the Line Extension Value to calculate Contract Minimum Billings, reimbursements, and refunds.

(10) **Line Extension Allowance**

After assuming ownership, the Company will calculate the appropriate Extension Allowance. The Company will then reimburse the Applicant for the construction costs covered by the Extension Allowance, less the cost of any Company provided equipment or services, but in no case more than the Line Extension Value.

(Continued)



5. EXTENSION EXCEPTIONS (continued)

(b) Duplicate Service Facilities

The Company will furnish Duplicate Service Facilities if the Customer advances the estimated costs for facilities in excess of those which the Company would otherwise provide. The Customer also must pay Facilities Charges for the Duplicate Facilities for as long as service is taken, but in no case less than five years.

(c) Emergency Service

The Company will grant Applicants requesting Emergency Service an Extension Allowance of \$90 per kW of estimated load. The Applicant must advance the costs exceeding the Extension Allowance prior to the start of construction. The Applicant must also pay a Contract Minimum Billing for as long as service is taken, but in no case less than five years.

(d) Highly Fluctuating Loads

The Company will furnish facilities for Highly Fluctuating Loads as defined in Regulation 2 of this tariff, provided that the Applicant agrees to advance to the Company the estimated installed cost of such facilities over the cost of facilities which the Company, in its sole discretion, would otherwise provide. The Applicant shall also pay a Contract Minimum Billing as long as service is taken but in no case less than five years. The Company reserves the right, should the effect of load fluctuations become in the Company's sole judgment a detriment to service to other Customers, to provide or require the Customer to provide corrective facilities. Where the Company provides such facilities the Customer shall pay the cost of all such facilities plus the associated Contract Minimum Billing.

(e) Temporary Service

(1) For Temporary Service requests requiring only a service loop connection and where there are 120/240 volt facilities of adequate capacity available, the Customer shall pay the connect and disconnect charge specified in Schedule 300.

(2) For all other Temporary Service requests the Customer shall pay

- a. the estimated installation cost, plus
- b. the estimated removal cost, plus
- c. the estimated cost for rearranging any existing facilities, less
- d. the estimated salvage value of the facilities required to provide Temporary Service.

(Continued)



5. EXTENSION EXCEPTIONS (continued)

- (3) The Customer is also responsible for electric service supplied under the appropriate rate schedule; any advances required for sharing previous Extensions; and, depending on the customer class, Contract Minimum Billings.
- (4) If a Customer takes Temporary Service continuously for 60 consecutive months, the Company will classify the Extension as permanent and refund any payment the Customer made over that required of a permanent Customer. The Company will not refund the Facilities Charges.

(f) Line Capacity in Excess of that Required

If the Company desires to construct lines having a larger capacity or more expensive type of construction than is practical under the circumstances or necessary in accordance with sound engineering standards and practices to supply the energy requirements of Customers who obtain service in accordance with this regulation, the cost of construction of that additional line capacity shall be borne completely by the Company and not be considered in determining the Contract Minimum Billing or advances made by Applicants for service.

6. RELOCATION OR REPLACEMENT OF FACILITIES

(a) Relocation of Facilities

If requested by an Applicant or Customer the Company will: relocate distribution facilities on to, or adjacent to, the Customer's premises; and/or, replace existing overhead distribution facilities with comparable underground. For overhead to underground relocations, the new underground system must not impair the use of the remaining overhead system. The Applicant or Customer must elect either: to provide all trenching and backfilling, imported backfill material, conduits, and equipment foundations that the Company requires for the Extension; or, to pay the Company to provide these items.

(Continued)

6. RELOCATION OR REPLACEMENT OF FACILITIES (continued)

In addition, the Applicant or Customer must advance the following:

- (1) The estimated installed cost of the new facilities plus the estimated removal expense of the existing facilities, less
- (2) The estimated salvage value plus accrued depreciation of the facilities to be removed.

This Advance is not refundable. The Company is not responsible for allocating costs and responsibilities among multiple Applicants.

(b) Local Governments

When required by a governmental entity in accordance with Idaho Code 50-2501 to 50-2523, the Company will replace existing overhead with underground distribution facilities provided the entity pays the Company in accordance with paragraph 6.(a) above, and provided the entity adopts an ordinance creating an underground district requiring:

- (1) All existing overhead communication and electric distribution facilities be removed;
- (2) Each property owner to make the changes necessary to receive service from the underground facilities as soon as the Company makes them available; and,
- (3) Authorizes the Company to discontinue overhead service when it has completed construction of the underground facilities.

7. CONTRACT ADMINISTRATION ALLOWANCE

Customers may waive their right to receive refunds on a Line Extension advance. Customers who waive this right will receive a Contract Administration Allowance specified in Schedule 300. The customer's choice to receive the Contract Administration Allowance must be made at the time the Extension advance is paid.