RULE 15

DISTRIBUTION LINE EXTENSIONS

APPLICABILITY: This rule is applicable to extension of electric Distribution Lines[1] of utility's standard voltages (less than 69 kV) necessary to furnish Permanent electric service to Applicants, and will be made in accordance with the provisions stated in this rule. The provisions of this rule are applicable to all utility customers, including those who elect Default UDC Services, Direct Access, Virtual Direct Access, or Community Choice Aggregation. T T

A. GENERAL

1. Extension Basis

a. Design: Utility will be responsible for planning, designing, and engineering Distribution Line Extensions using utility's standards for material, design, and construction. Applicant may elect to design that portion of the new Distribution Line Extension normally designed by utility in accordance with the applicant design provisions of this rule.

b. Ownership: The Distribution Line Extension facilities installed under the provisions of this rule, shall be owned, operated, and maintained by utility, except for Substructures and enclosures that are on, under, within, or part of a building or structure.

c. Private Lines: Utility shall not be required to serve any Applicant from Distribution Line Extension facilities that are not owned, operated, and maintained by utility.

2. Distribution Line Extension Locations

a. Rights Of Way: Utility will own, operate and maintain Distribution Line Extension facilities only:

(1) along public streets, alleys, roads, highways and other publicly dedicated ways and places which utility has the legal right to occupy (franchise areas), and,

(2) on public lands and private property across which rights of way and permits satisfactory to utility may be obtained without cost to or condemnation by utility.

b. Normal Route of Line: The length and normal route of a Distribution Line Extension will be determined by utility and considered as the distance along the shortest, most practical, available, and acceptable route which is clear of obstructions from utility's nearest permanent and available distribution facility to the point from which the service facilities will be connected.

[1] Certain words beginning with capital letters are defined within the provisions of the Definition Section of this rule.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

A. GENERAL (Continued)

3. Underground Distribution Line Extensions

a. Underground Required: Underground Distribution Line Extensions shall be installed where required to comply with applicable laws and ordinances or similar requirements of governmental authorities having jurisdiction and where utility maintains or desires to maintain underground distribution facilities. For example, underground Distribution Line Extensions are required for all new: (1) Residential Subdivisions (except as provided for in Section H), (2) Residential Developments, (3) Commercial Developments, (4) Industrial Developments, and (5) locations that are in proximity to and visible from designated Scenic Areas.

b. Underground Optional: When requested by Applicant and agreed upon by utility, underground Distribution Line Extensions may be installed in areas where it is not required, as provided in Section A.3.a.

4. Overhead Extensions: Overhead Distribution Line Extensions may be installed only where underground Distribution Line Extensions are not required as provided in Section A.3.a.

5. Special or Added Facilities: Any special or added facilities utility agrees to install at the request of Applicant will be installed at Applicant's expense in accordance with Rule 2, Description of Service.

6. Temporary Service: Facilities installed for temporary service or for operations of speculative character or questionable permanency shall be made in accordance with the fundamental installation and ownership provisions of this rule, except that all charges and refunds shall be made under the provisions of Rule 13, Temporary Service.

7. Services: Service facilities connected to the Distribution Lines to serve an Applicant's premises will be installed, owned and maintained as provided in Rule 16, Service Extensions.

8. Conversions of Overhead to Underground: The replacement of existing overhead Distribution Lines with underground Distribution Lines will be made in accordance with Rule 20, Replacement of Overhead With Underground Electric Facilities.

9. Street Lights: Street lights and appurtenant facilities shall be installed in accordance with the service provisions of the applicable street light schedule.

10. Contracts: Each Applicant requesting a Distribution Line Extension may be required to execute a written contract(s), prior to utility performing its work on the Distribution Line Extension. Such contracts shall be in the form on file with the California Public Utilities Commission (Commission).

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

B. INSTALLATION RESPONSIBILITIES

1. Underground Distribution Line Extension

a. Applicant Responsibility: In accordance with utility's design, specifications, and requirements, Applicant is responsible for:

(1) Excavation: All necessary trenching, backfilling, and other digging as required;

(2) Substructures and Conduits: Furnishing, installing, and upon acceptance by utility, conveying to utility ownership of all necessary installed Substructures and Conduits, including Feeder Conduits and related Substructures required to extend to and within subdivisions and developments; and,

(3) Protective Structures: Furnishing, installing, and upon acceptance by utility, conveying to utility ownership of all necessary Protective Structures.

b. Utility Responsibility: Utility is responsible for furnishing and installing cables, switches, transformers, and other distribution facilities required to complete the Distribution Line Extension.

2. Overhead Distribution Line Extension: Utility is responsible for furnishing and installing all facilities required for the Distribution Pole Line Extension.

3. Installation Options:

a. Utility-Performed Work: Where requested by Applicant and mutually agreed upon, utility may perform that portion of the new Distribution Line Extension work normally installed by Applicant according to Section B.1.a., provided Applicant pays utility its total estimated installed cost.

b. Applicant-Performed Work: Applicant may elect to install that portion of the new Distribution Line Extension normally installed by utility in accordance with utility's design and specifications, using qualified contractors. (See Section G., Applicant Installation Options).

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

C. DISTRIBUTION LINE EXTENSION ALLOWANCES

1. General: Utility will complete a Distribution Line Extension without charge provided utility's total estimated installed cost does not exceed the allowances from permanent, bona-fide loads to be served by the Distribution Line Extension within a reasonable time, as determined by utility. The allowance will first be applied to the Service Extension (including the metering), in accordance with Rule 16. Any excess allowance will be applied to the Distribution Line Extension to which the Service Extension is connected.

2. Basis of Allowances: Allowances shall be granted to an Applicant for Permanent Service, or to an Applicant for a subdivision or development under the following conditions:

   a. Utility is provided evidence that construction will proceed promptly and financing is adequate, and,
   b. Applicant has submitted evidence of building permit(s) or fully-executed home purchase contract(s) or lease agreement(s), or,
   c. Where there is equivalent evidence of occupancy or electric usage satisfactory to utility.

   The allowances in Sections C.3. and C.4. are based on a revenue-supported methodology using the following formula:

$$\text{ALLOWANCE} = \frac{\text{NET REVENUE}}{\text{COST OF SERVICE FACTOR}}$$

3. Residential Allowances: The allowance for Distribution Line Extensions, Service Extensions, or a combination thereof, for Permanent Residential Service is $3,241 per meter or residential dwelling unit. I

4. Non-Residential Allowances: The allowance for Distribution Line Extensions, Service Extensions, or a combination thereof, for Permanent Non-Residential Service is determined by utility using the formula in Section C.2. The utility, at its election, may apply a Non-Residential Allowance Net Revenue Multiplier as defined in Section J.

   Where the Distribution Line Extension will serve a combination of residential and non-residential meters, residential allowances will be added to non-residential allowances.

5. Seasonal, Intermittent, Emergency and Insignificant Loads: When an Applicant requests service that requires a Distribution Line Extension to serve loads that are seasonal or intermittent, the allowance for such loads shall be determined using the formula in Section C.2. No allowance will be provided where service is used only for emergency purposes, or for Insignificant Loads.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT

1. General: Contributions or advances by an Applicant to utility for the installation of a Distribution Line Extension to receive utility service consists of such things as cash payments, the value of facilities deeded to utility, and the value of Excavation performed by Applicant.

2. Project-Specific Cost Estimates: The utility's total estimated installed cost will be based on a project-specific estimated cost. D T

3. Cash Advance: A cash advance will be required only if Applicant's excess allowance is less than utility's total estimated installed cost to complete a Distribution Line Extension. T

4. Tax: All contributions and advances by Applicant are taxable and shall include an Income Tax Component of Contribution (ITCC) at the rate provided in the utility's Preliminary Statement. ITCC will be either refundable or non-refundable in accordance with the corresponding contribution. T

5. Refundable and Non-Refundable Amounts: Applicant shall contribute or advance, before the start of utility's construction, the following: T

   a. Underground Refundable Amount: Applicant's refundable amount is the portion of the utility's total estimated installed cost, including ITCC, to complete the underground Distribution Line Extension (including distribution transformers, and excluding Betterments) that exceeds the amount of Distribution Line Extension allowance determined in Section C for:

      (1) Cabling: The estimated installed cost of any necessary Cabling (including distribution transformers,) installed by utility to complete the underground Distribution Line Extension. This includes the cost of conversion of existing single-phase lines to three-phase lines, if required; plus

      (2) Substructures: Utility's estimated value of Substructures installed by Applicant and deeded to utility as required.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

D. CONTRIBUTIONS OR ADVANCES BY APPLICANT (Continued)

5. Refundable and Non-Refundable Amounts (Continued) T

b. Overhead Refundable Amount: Applicant's refundable amount is the portion of the utility's total estimated installed cost, including ITCC, to complete the overhead Distribution Line Extension (including distribution transformers, and excluding Betterments) that exceeds the amount of Distribution Line Extension allowance determined in Section C for:

(1) Pole Line: All necessary facilities required for an overhead Distribution Pole Line Extension and, if required, the conversion of existing single-phase lines to three-phase lines; plus,

(2) Transmission Underbuilds: Utility's total estimated installed cost of the underbuild, where all or a portion of an overhead Distribution Line Extension is to be constructed on existing transmission poles of utility.

c. Non-Refundable Discount Option: In lieu of contributing the refundable amount determined in Section D.5.a or D.5.b, Applicant has the option of contributing, on a non-refundable basis, fifty percent (50%) of such refundable amount; plus T

d. Other Non-Refundable Amounts: Applicant's non-refundable amount is utility's estimated value of Excavation, Conduits, and Protective Structures required by utility for the Distribution Line Extension under Section B.1.a.

6. Joint Applicants: The total contribution or advance from a group of Applicants will be apportioned among the members of the group in such manner as they may mutually agree. T

7. Payment Adjustments: T

a. Contract Compliance: If, after six (6) months following the date utility is first ready to serve residential loads for which allowances were granted, one (1) year for non-residential loads, Applicant fails to take service, or fails to use the service contracted for, Applicant shall pay to utility an additional contribution or advance, based on the allowances for the revenue actually generated.

b. Excess Facilities: If the loads provided by Applicant(s) results in utility having installed facilities which are in excess of those needed to serve the actual loads, and utility elects to reduce such excess facilities, Applicant shall pay utility its estimated total costs to remove, abandon, or replace the excess facilities, less the estimated salvage of any removed facilities.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

E. REFUNDS

1. General: Refunds are based on the allowances and conditions in effect at the time the contract is signed. The allowance in excess of that needed for the Service Extension, in accordance with Rule 16, will be refunded to the Distribution Line Extension to which the Service Extension is connected.

2. Total Refundable Amount: The total amount subject to refund is the sum of the refundable amounts made under Section D.5.

3. Refund Period: The total refundable amount is subject to refund for a period of 10 years after the Distribution Line Extension is first ready for service.

4. Residential: Refunds will be made on the basis of a new customer's Permanent Load which produces additional revenues to utility. The refund will be deducted from the total refundable amount, and the remaining amount subject to refund represents that portion of the Distribution Line Extension cost not supported by revenues. (See Section E.11 for Series Refunding Provisions.)

5. Non-Residential: Utility shall be responsible to review Applicant's actual base annual revenue for the first three years from the date utility is first ready to serve. Applicant shall be responsible for notifying utility if new, permanent load is added the fourth through tenth year from the date utility is first ready to serve. Such review shall determine if additional revenue supports any refunds to Applicant. (See Section E.11 for Series Refunding Provisions.)

6. Unsupported Distribution Line Extension Cost: When any portion of a refundable amount has not qualified for a refund at the end of twelve (12) months from the date utility is first ready to serve, Applicant will pay to utility an Ownership Charge, as defined in Section J, on the remaining refundable balance. The monthly Ownership Charge is intended to offset the refundable amount, and will normally be accumulated and deducted from refunds due to Applicant. This provision does not apply to individual residential Applicants. T T

7. Refund Timing: Refunds will be made without interest within 90 days after the date of first service to new permanent loads, except that refunds may be accumulated to a $50 minimum or the total refundable balance, if less than $50.

8. Maximum Refund: No refund shall be made in excess of the refundable amount nor after a period of ten (10) years from the date utility is first ready to serve. Any unrefunded amount remaining at the end of the ten-year period shall become property of utility.

9. Previous Rules: Refundable amounts contributed or advanced under conditions of a rule previously in effect will be refunded in accordance with the provisions of such earlier rule.

10. Joint Applicants: When two (2) or more parties make joint contributions or Advances on the same Distribution Line Extension, refunds will be distributed to these parties in the same proportion as their individual contributions or Advances bear to the total refundable amount, or as they mutually agree.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

E. REFUNDS (Continued)

11. Series of Distribution Line Extensions: Where there is a series of Distribution Line Extensions, commencing with an extension having an outstanding amount subject to refund, and each Distribution Line Extension is dependent on the previous Distribution Line Extension as a direct source of supply, a series refund will be made as follows:

a. Additional service connections supplied from a Distribution Line Extension on which there is a refundable amount will provide refunds first to the Distribution Line Extension to which they are connected; and,

b. When the amount subject to refund on a Distribution Line Extension in a series is fully refunded, the excess refundable amount will provide refunds to the Distribution Line Extension having the oldest outstanding amount subject to refund in the series.

F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS

1. Competitive Bidding: When an Applicant selects competitive bidding, the Distribution Line Extension may be designed by Applicant's qualified contractor or sub-contractor in accordance with utility's design and construction standards. All Applicant Design work on gas and electric facilities must be performed by or under the direction of a licensed professional engineer and all design work submitted to the utility must be certified by an appropriately licensed professional engineer, consistent with the applicable federal, state, and local codes and ordinances. The applicant design Option is available to Applicants for new service and is not available for replacement, reinforcement, or relocation of existing systems, where there is no applicant for new line or service extension work. Under this option, the following applies: T N N N T

a. Applicant shall notify Utility, in a manner acceptable to the Utility.

b. Applicant designs shall conform to all applicable federal, state and local codes and ordinances for utility installation design (such as, but not limited to the California Business and Professions Code).

c. Utility may require applicant designers to meet the Utility's prequalification requirements prior to participating in applicant design.

d. Applicant designers shall obtain Utility design and construction standards and specifications prior to performing applicant design. The Utility may charge for any of these services.

e. Utility will perform one plan check on each applicant design project at no expense to Applicant. Utility will perform all subsequent plan checks at Applicant's expense.

f. For designs performed by a non-utility designer, Utility will credit Applicant with the amount of Utility's design bid less any appropriate charges such as for plan checking, changes, or revisions.

g. In the case of Applicant designed projects requiring an advance, Utility will apply the design credit to the Applicant's advance.

(Continued)

RULE 15

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DISTRIBUTION LINE EXTENSIONS

F. APPLICANT DESIGN OPTION FOR NEW INSTALLATIONS (Continued)

1. Competitive Bidding (Continued)

h. If no advance is required, Utility will refund/reimburse the Applicant for the cost of design after the Distribution Line Extension is first ready to serve.

i. Utility shall perform all Utility's project accounting and cost estimating.

G. APPLICANT INSTALLATION OPTIONS

1. Competitive Bidding: When Applicant selects competitive bidding, the Distribution Line Extension may be installed by Applicant's qualified contractor or sub-contractor in accordance with utility's design and specifications. Under this option, the following applies:

a. Upon completion of Applicant's installation, and acceptance by Utility, ownership of all such facilities will transfer to Utility. D

b. Applicant shall provide to Utility, prior to Utility preparing the line extension contract, the Applicant's Contract Anticipated Costs subject to refund to perform the work normally provided by Utility. The Applicant shall submit, on a form provided by Utility, a statement of such costs. If the Applicant elects not to provide such costs to Utility, the Applicant shall acknowledge its election on the form and Utility will use its estimated costs. N

c. Applicant shall pay to Utility, subject to the refund and allowance provisions of Rules 15 and 16, the Utility's estimated cost of work performed by Utility for the Distribution Line Extension, including the estimated costs of design, administration, and installation of any additional facilities. T

d. The lower of Utility's estimated refundable costs or Applicant's Contract Anticipated Costs as reported in G.1.b, for the work normally performed by Utility, shall be subject to the refund and allowance provisions of Rules 15 and 16. N

e. Applicant shall pay to Utility the estimated cost of Utility's inspection which shall be a fixed amount, not subject to reconciliation. Such inspection costs may be subject to otherwise available allowances up to the difference between the Applicant's Contract Anticipated Cost as reported in G.1.b and Utility's estimated costs for performing the same work, but not to exceed the Utility's estimated costs. N

f. Only duly authorized employees of utility are allowed to connect to, disconnect from, or perform any work upon Utility's facilities. L

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

G. APPLICANT INSTALLATION OPTIONS (Continued) L

2. Minimum Contractor Qualifications: Applicant's contractor or subcontractor (QC/S) shall:

a. Be licensed in California for the appropriate type of work (electrical and general, etc.);

b. Employ workmen properly qualified for specific skills required (Qualified Electrical Worker, Qualified Person, etc.) as defined in State of California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2); and,

c. Comply with applicable laws (Equal Opportunity Regulations, OSHA, EPA, etc.) L

3. Other Contractor Qualifications: An Applicant for service who intends to employ a QC/S also should consider whether the QC/S:
a. Is technically competent;
b. Has access to proper equipment;
c. Demonstrates financial responsibility commensurate with the scope of the contract;
d. Has adequate insurance coverage (workers compensation, liability, property damage); and,
e. Is able to furnish a surety bond for performance of the contract, if required.

H. OVERHEAD DISTRIBUTION LINE EXTENSION FOR SUBDIVISIONS OR DEVELOPMENTS

1. Overhead Distribution Line Extension may be constructed in Residential Subdivisions or Developments only where either a. or b. below are found to exist:

a. The lots within the Residential Subdivision or Development existed as legally described parcels prior to May 5, 1970, and significant overhead lines exist within the subdivision or development.

b. The minimum parcel size within the new Residential Subdivision or real estate development, identifiable by a map filed with the local government authority, is three (3) acres and Applicant for the Distribution Line Extension shows that all of the following conditions exist:

(1) Local ordinances do not require underground construction;

(2) Local ordinances or land use policies do not permit further division of the parcels involved such that parcel sizes less than three (3) acres could be formed;

(3) Local ordinances or deed restrictions do not allow more than one single-family dwelling or accommodation on a parcel of less than three (3) acres, or any portion of a parcel of less than three (3) acres; L

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

H. OVERHEAD DISTRIBUTION LINE EXTENSION FOR SUBDIVISIONS OR DEVELOPMENTS (Continued) L

1. Overhead Distribution Line Extension (Continued)

b. (Continued)

(4) Exceptional circumstances do not exist which, in utility's opinion, warrant the installation of underground distribution facilities. Whenever utility invokes this provision, the circumstances shall be described promptly in a letter to the Commission, with a copy to Applicant for the Distribution Line Extension; and,

(5) Utility does not elect to install the Distribution Line Extension underground for its operating convenience. Whenever utility elects to install the Distribution Line Extension underground for its operating convenience, the extra cost compared with overhead shall be borne by utility. L

I. SPECIAL CONDITIONS

1. Facility Relocation or Rearrangement: Any relocation or rearrangement of utility's existing facilities, at the request of, or to meet the convenience of an Applicant or customer, and agreed upon by utility, normally shall be performed by utility. Where new facilities can be constructed in a separate location, before abandonment or removal of any existing facilities, and Applicant requests to perform the new construction work, it can be performed under the applicable provisions of Section G, Applicant Installation Options.

In all instances, Utility shall, at its option, abandon or remove its existing facilities. Applicant or customer shall be responsible for the costs of all related relocation, rearrangement and removal work.

2. Periodic Review: Utility will periodically review the factors it uses to determine its residential allowances, non-refundable discount option percentage rate, and Cost of Service Factor stated in this rule. If such review results in a change of more than five percent (5%), utility will submit a tariff revision proposal to the Commission for review and approval. Such proposed changes shall be submitted no sooner than six (6) months after the last revision.

Additionally, Utility shall review and submit proposed tariff revisions to implement relevant Commission decisions from other proceedings that affect this Rule.

3. Exceptional Cases: When the application of this rule appears impractical or unjust to either party or the ratepayers, utility or Applicant may refer the matter to the Commission for a special ruling or for special condition(s), which may be mutually agreed upon. L

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

J. DEFINITIONS

Advance: Cash payments made to the utility prior to the initiation of any work done by the utility which is not covered by allowances.

Applicant: A person or agency requesting utility to supply electric service.

Applicant's Contract Anticipated Cost: The cost estimate provided by the Applicant's contractor to the Applicant for performing the applicable refundable work, as stated on the Applicant's cost statement form (Form 65502), or in the case where the work is performed by the Applicant, the Applicant's own cost estimate on the signed form.

Betterment: Facilities installed by Applicant at the request of utility in addition to those required under Section B.1.a.

Cabling: Conductors (including cable-in-conduit, if used), connectors, switches, as required by utility for primary, secondary, and service installations.

Commercial Development: Two (2) or more enterprises engaged in trade or the furnishing of services, (e.g., shopping centers, sales enterprises, business offices, professional offices, and educational or governmental complexes) and located on a single parcel or on two (2) or more contiguous parcels of land.

Conduit: Ducts, pipes or tubes of certain metals, plastics and other materials acceptable to utility (including pull wires and concrete encasement where required) for the installation and protection of electric wires or cables.

Contribution: In-kind services and the value of all property conveyed to the utility at any time during the utility's work on an extension which is part of the utility's total estimated installed cost of its facilities, or cash payments not covered by Applicant's allowances.

Cost of Service Factor (COS): The factor that is divided into the Net Revenue to determine the Utility's investment in distribution facilities. The COS Factor includes depreciation, return, income taxes, property taxes, Operating and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectible Expenses (FF&U) and replacement of facilities for 60 years at no additional cost to customer. For the purpose of calculating residential allowances, a COS Factor of 14.63% will be used. R

Distribution Line Extension: New distribution facilities of utility that is a continuation of, or branch from, the nearest available existing permanent Distribution Line (including any facility rearrangements and relocations necessary to accommodate the Distribution Line Extension) to the point of connection of the last service. Utility's Distribution Line Extension includes transmission underbuilds and converting an existing single-phase line to three-phase in order to furnish three-phase service to an Applicant, but excludes service transformers, meters and services.

Distribution Lines: Utility's overhead and underground facilities which are operated at distribution voltages as set forth in utility's Rule 2, and which are designed to supply two (2) or more services.

Distribution Trench Footage: The total trench footage used for calculating cabling costs. It is determined by adding the total length of all new and existing trench for the installation of underground primary and secondary Distribution Lines designed to supply two (2) or more services (excluding service trench footage under Rule 16).

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

J. DEFINITIONS (Continued)

Excavation: All necessary trenching, backfilling, and other digging to install Distribution Line Extension facilities, including furnishing of any imported backfill material and disposal of spoil as required, surface repair and replacement, landscape repair and replacement.

Feeder Conduit: Conduit for such uses as part of a backbone system to provide for future anticipated load growth outside the subdivision involved, to provide for future anticipated load growth in the existing subdivision and the existing subdivisions in close proximity, to balance loads between substations, to interconnect the service to the subdivision with service to subsequent developments outside the subdivision, and to provide the flexibility and versatility of modifying or supplying emergency backup power to the area involved.

Franchise Area: Public streets, roads, highways and other public ways and places where the utility has a legal right to occupy under franchise agreements with governmental bodies having jurisdiction.

Industrial Development: Two (2) or more enterprises engaged in a process which creates a product or changes material into another form or product and located on a single parcel or on two (2) or more contiguous parcels of land.

Insignificant Loads: Small operating loads such as gate openers, valve controls, clocks, timing devices, fire protection equipment, alarm devices, etc.

Intermittent Loads: Loads which, in the opinion of the utility, are subject to discontinuance for a time or at intervals.

Net Revenue: That portion of the total rate revenues that supports utility's distribution line and service extension costs and excludes such items as energy, transmission, Competition Transition Charge (CTC), public purpose programs, revenue cycle services revenues, and other revenues that do not support the Distribution Line and Service Extension costs. For residential line extensions the net revenue is a fixed amount calculated from the annual total residential distribution rate revenue divided by the number of residential customers with a deduction for revenue cycle service credits.

Non-Residential Allowance Net Revenue Multiplier: This is a revenue-supported factor determined by the utility that is applied to the net revenues expected from non-residential load to determine non-residential allowances.

Ownership Charge: Monthly charge as a percentage rate applied against the remaining refundable balance after twelve (12) months from the date the Utility is first ready to serve. This charge recovers the cost of operating and maintaining customer-financed facilities that are not fully utilized. The Ownership Charge includes property taxes, Operations and Maintenance (O&M), Administrative and General (A&G), Franchise Fees and Uncollectible expenses (FF&U), and replacement of facilities for 60 years at no additional cost to customer. For the purpose of calculating the Ownership Charge, a 0.36% per month will be used. R

Permanent Service: Service which, in the opinion of utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

Pole Line: Poles, cross-arms, insulators, conductors, switches, guy-wires, and other related equipment used in the construction of an electric overhead line.

(Continued)

RULE 15

DISTRIBUTION LINE EXTENSIONS

J. DEFINITIONS (Continued)

Protective Structures: Fences, retaining walls (in lieu of grading), sound barriers, posts, or barricades and other structures as required by utility to protect distribution equipment. L L

Residential Development: Five (5) or more dwelling units in two (2) or more buildings located on a single parcel of land.

Residential Subdivision: An area of five (5) or more lots for residential dwelling units which may be identified by filed subdivision plans or an area in which a group of dwellings may be constructed about the same time, either by a builder or several builders working on a coordinated basis.

Seasonal Service: Electric Service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages, or other part-time establishments.

Scenic Areas: An area such as a scenic highway, a state or national park or other area determined by a governmental agency to be of unusual scenic interest to the general public. Scenic highways are officially designated under the California Scenic Highway Program established pursuant to Paragraph 320 of the Public Utilities Code and applicable sections of the Streets and Highways Code. State or national parks or other areas of unusual scenic interest to the general public are determined by the appropriate governmental agency. "In proximity to" shall mean within 1,000 feet from each edge of the right-of-way of designated scenic highways and from the boundaries of designated parks and scenic areas. "Visible from" shall mean that overhead distribution facilities could be seen by motorists or pedestrians traveling along scenic highways or visiting parks or scenic areas.

Substructures: The surface and subsurface structures which are necessary to contain or support utility's electric facilities. This includes, but is not limited to, such things as splice boxes, pull boxes, equipment vaults and enclosures, foundations or pads for surface-mounted equipment.

Trenching: See Excavation.