

**C3. Standard Rules & Regulations-Line Extension Construction Policy**

SECTION III. - LINE EXTENSION CONSTRUCTION POLICY - For extensions occurring prior to January 1, 2011 see Sheet No. C-20.90 - C-20.96.

EFFECTIVE IN All territory served.

1. DEFINITIONSa. Extension

An extension is defined to include right-of-way, permits, easements, poles, conductors and appurtenances used in extending the distribution system and service facilities from the company's existing facilities to a point of connection with customer facilities. An original extension includes all facilities installed to render service to the location(s) requested by the applicant(s) to serve the location(s). Any customer addition to an extension with an added investment that is less than the extension allowance(s) of these extension rules shall be considered part of the original extension. Customer additions that require an added investment exceeding the extension allowances shall be considered as separate new extensions.

b. Distribution System

All primary and secondary wire or cable and its supports, trenches, connection equipment and enclosures, control equipment, right-of-way preparation, etc., necessary to extend electric service to points of connection with service facilities.

If enlargement or extensions of transmission facilities are required, they shall be treated as if they are a part of the distribution system. However, the customer must sign a contract listing costs, customer obligation, company obligation, and supporting analysis. This contract shall be submitted to the Michigan Public Service Commission for approval. The Commission will assess whether existing rate payers will be adversely affected and will respond within 20 working days.

c. Service Drops or Laterals

The overhead line (service drops) or underground line (service lateral) between the transformer or distribution system (excluding any risers at a pole) and the building wall or other customer structure as determined by the company.

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1. d. Service Facilities  
Includes transformers, service drops or laterals, lighting equipment, and meters.
- e. Electric Facilities  
Includes both the distribution system and the service facilities.
- f. Investment  
Includes the cost of all distribution system equipment installed to render the requested service as well as the cost of installing the equipment and any associated maintenance incurred in the process of extending facilities to render the requested service. Standard service facilities (transformers, services, lighting equipment, and meters) are installed at no cost to the customer and are not considered part of the investment when applying these extension rules (see Section 2 for definition of standard facilities).
- g. Development Period  
A period of five years immediately following the energizing of an extension. An extension is considered energized when the line is electrically connected to existing company facilities. Accordingly, an energized circuit does not necessarily require individual customer service drops and meters. The energizing of the original portion of the extension shall be the date used for purposes of determination of the five-year development period and shall apply to all additions to the original extension. The definition of an extension, as contained in Section 1.a. of these extension rules, shall determine what is considered an addition to the original extension.

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**2. GENERAL POLICY**

It is the intent of the company to provide safe, reliable service at the lowest reasonable cost following accepted engineering and planning practices to design and install facilities that consider normal growth in the area of the service extension, yet not overbuild or overdesign facilities which result in unnecessary cost increases to the company and its customers.

The company shall extend, enlarge, or change its facilities for supplying electric service in accordance with the following:

- a. The company shall provide, own, and maintain the electric facilities. The company, if practical, will discuss with the applicant the character and location of such facilities, service connections, and meters. Final determination, however, shall be at the sole discretion of the company.
- b. Voltages available shall be in accordance with filed rules of the company. (See Available Service Voltages.)
- c. The company will use reasonable care, but shall not be liable for damage to trees, lawns, shrubs, fences, sidewalks, or other obstructions, incident to installation, repair, or replacement of electric facilities unless such damage is due to negligence on its part.
- d. If the company is not assured as to the stability and economic feasibility of any project, a suitable payment, an extension of the term of contract, and/or a minimum annual guarantee over such term may be required. The reasons and supporting analysis for each contract entered into under this provision will be furnished the customer and the Michigan Public Service Commission in writing. The company will inform the customer of the customer's right to ask the Commission for a review of the extension costs and contract provisions.
- e. The calculation of company investment as applied in these extension rules shall be based on average estimated investment costs for similar types of installations.

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2. f. At the request of the Company, the applicant shall locate and mark permanent survey stakes indicating property lines and shall furnish, at no expense to the Company, recordable easements granting rights-of-way satisfactory to the company for the design, installation, operation, and maintenance of the electric facilities along the entire route determined by the company. The rights-of-way on applicant's property as designated by the company shall be cleared of trees and other obstructions at applicant's expense. No buildings or trees shall be placed on said rights-of-way. The rights-of-way may be used for gardens, shrubs, landscaping and other purposes if they will not interfere with maintenance of electric facilities.
- g. Customers may be required to execute a contract for electric service.
- h. Underground electric facilities are available subject to the following conditions:
- 1) Prior to installation of underground electric facilities, the applicant, if requested by the Company, shall enter into a written contract with the Company describing the proposed facilities and setting forth the respective agreements of the applicant and the Company in regard to such facilities. Such contract shall be subject in all respects to the provisions of this underground policy.
  - 2) Underground electric facilities shall not be installed beneath farm fields, swamp land, gravel pits, etc.
  - 3) The Company shall be notified in advance of any change in grade levels. Any and all costs incurred as a result of such change shall be at the expense of the responsible party.
  - 4) Nothing in this underground policy prevents the Company from constructing overhead transmission or distribution lines into or through an area containing underground electric facilities.

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2. h. 5) In the event the company is required by law, ordinance, etc., to install underground facilities, the provisions of this policy including payment obligations shall apply.
- 6) If in the opinion of the company installations of underground facilities are more feasible, for reasons of safety, cost, reliability, etc., than overhead facilities, the company will install facilities underground. Any payments required under these extension rules shall be applicable.
- 7) When requested, customers served by underground facilities shall provide suitable space for padmounted equipment, including required barriers or vaults, at no cost to the company.
- 8) The company when requested by one or more applicants shall install, when and where feasible, underground electric distribution systems under the following conditions:
- a) The applicant shall furnish a recorded plat, certified survey map, recorded plat of survey or recorded survey map showing the location and nature of the area for which the underground electric distribution system is being requested. The area supplied from the underground distribution system shall be specifically defined. The characteristics, nature, and amount of initial electric load to be served shall be indicated. Said recorded plat or map shall include a statement that underground service is required within this area.
- b) The applicant shall provide, at no expense to the Company, grading within six inches of finished grade of the area covered by the rights-of-way so that the underground distribution system and the street lighting cables, if any, can be properly installed in relation to the finished grade. The character and location of the street lighting facilities shall conform to specifications prepared by the company.

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- 2. h. 9) The company, when requested by one or more applicants, shall install when and where feasible, underground electric service laterals. The applicant shall provide, at no expense to the company, grading within six inches of finished grade of the area so that the service lateral can be properly installed in relation to the finished grade.
- 10) Within developments served by an underground electric distribution system, the lighting facilities shall also be served by underground facilities.

i. WINTER CONSTRUCTION CHARGE:

- 1. Winter Construction Charges are subject to the following conditions:
  - a) Subdivision Customers: Except as noted, Winter Construction costs will be charged for any underground facilities installed in the Company's service territory between November 1 and April 15. The Winter Construction Charge will not be charged, however, if the customer's application for subdivisions is received by the Company prior to September 1, and the customer's premises and/or the construction site is ready for underground facilities installation prior to October 1, and the company receives the total advance customer payment required for the installation of facilities prior to October 1.
  - b) Non-Subdivision Customers: Except as noted, Winter Construction costs will be charged for any underground facilities installed in the Company's service territory between November 1 and April 15. The Winter Construction Charge will not be charged, however, if the application for service is received by the Company prior to September 15 and the customer's premises and/or the construction site is ready for underground facilities installation prior to October 15, and the company receives the total advance customer payment required for the installation of facilities prior to October 15.
- 2. The Winter Construction Charge will be waived by Company if the Company's underground contractors do not actually charge the Company for winter construction conditions.
- 3. Winter Construction Charges are in addition to any other charges contemplated in these rules, and are non-refundable, except as voted.

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4. A customer's premises and/or the construction site is deemed to be ready for underground facilities installation when the dwelling foundation wall is installed and back-filled; and a trench route is cleared and graded to within 6" of the final grade.

3. STANDARD UNDERGROUND OR OVERHEAD EXTENSION RULES

The allowances in this section are for the installation of electric facilities that are considered as standard design for the company and apply equally to standard underground and/or overhead facilities in all Michigan retail service territory served by the company. Each extension as defined in Section 1.a. of these extension rules shall be treated as a separate extension in accordance with this Section 3.

a. General Requirements

Applicants for electric service shall pay, in advance of construction, the total estimated cost of the distribution system required as specified in section 1.f. The applicant qualifies for extension allowances on lots meeting the criteria of section 3.b.1). The applicant shall specify in writing the lot numbers, addresses or other appropriate identification of the locations electric service is desired under the application, including load estimates if requested. The applicant shall be eligible for refunds as outlined in section 3.b.5) a).

b. Extension Allowance Qualifications (Developments and Non-Developments)

- 1) One of the following two criteria, a) or b) below, shall qualify a customer for the extension allowances of Section 3.b.2) of these extension rules:
- a) An existing or future building structure site to which service is requested shall:
- (1) Be on a tract of property in a final state-approved and recorded plat, or a building site approved by a municipality and on a municipal sewerage system, or have an approved "State and County Permit Application for Private Domestic Sewage Systems" and,
  - (2) Have the structure or some portion thereof completed in a manner that indicates it will be a permanent structure (i.e., foundation, concrete slab, etc.) or building permit for said structure or,
  - (3) Have permanent water and sewer facilities installed for mobile home court lots.

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3. b. 1) b) Service to a location that will not contain a building structure shall:  
Require evidence that there will be a continuing need for electric service to that location, e.g., well, constructed billboard, other types of permanent facilities requiring electricity.

All requests for electric service not meeting the preceding criteria shall not be given an extension allowance until meeting these criteria.

2) Extension Allowances

- a) The extension allowances of this section reflect the company's projected embedded average cost of distribution facilities for the coming year and shall be revised annually. Said annual revision shall be calculated and submitted to the Michigan Public Service Commission prior to the start of the calendar year and shall apply to construction performed for the succeeding 12 month period commencing January 1st of the following year.
- b) Extension allowances shall only apply to applicants who meet the requirements of sections 3.b.1).
- c) Extensions shall be made without charge or guarantee provided that the estimated investment does not exceed the extension allowance.
- d) The extension allowance per customer shall be as follows:

<u>Customer Class</u>	<u>Allowance</u>
Residential - Year Round	\$530
Residential - Seasonal	\$265
Commercial and Industrial (Energy Only)	\$770
Commercial and Industrial (Energy and Demand)	\$86/kW

- e) The estimated demand shall be the maximum annual 15 minute kW expected to be placed on the electric facilities of the company. Company experience with existing customers will be used as a basis for developing the demand estimate. The Company reserves the right to review and recalculate the extension allowance after the five year development period in cases where the customer fails to meet the estimated demand used in the original calculation.

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UPPER PENINSULA POWER COMPANY

MPSC Vol No 8 - ELECTRIC  
(To combine cancelled tariff sheets)

1st Rev. Sheet No. C-19.80  
1st Rev. Sheet No. C-19.90

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3) Extensions Exceeding Extension Allowance

- a) Applicant shall make a refundable cash payment in advance of construction equal to the investment in standard electric facilities that exceeds the extension allowance. Refundable cash payments shall be retained by the company interest free and shall only be refunded in accordance with section 3.b.5) of these rules.
- b) The estimated investment of an extension will be divided equally among the original customers on the original extension, with similar type of service, unless they elect to have it apportioned in some other manner that is mutually satisfactory to them. No payments shall be required from additional customers connecting to this extension and considered part of this extension in accordance with Section 1.a. of these extension rules.

4) Adjustment to Actual

Estimated investments used in determining customer obligations prior to construction shall be adjusted to reflect actual investment for changes in the size, or number of units installed, major rock or frost removal and similar items affecting the scope of the project. The estimate shall not be adjusted for inclement weather, truck or equipment breakdowns, changed site conditions, such as mud following wet weather, snow or traffic congestion, special all-terrain equipment required for a changed condition such as deep snow or mud, use of contractor crews vs. company crews, material price changes and other items of a similar nature. Adjustment of customer requirements (refund or additional payment) to reflect actual investment shall be made if the adjustment is greater than \$100. This adjustment, if applicable, will normally occur within six months of completion of construction.

5) Refunds

- a) If, during the development period, as defined in section 1.g., there are additional permanent customers connected to the extension, refunds as outlined in this section shall be made. Customers added to an existing extension shall not be required to make any payment for the existing extension.
- b) Refunds shall be divided between locations, eligible for refunds, in direct proportion to payments originally received or assigned to the locations.
- c) Refunds shall be made as follows.
- (1) Approved subdivisions and certified surveys.  
Refunds shall be made to the contributor(s) or their assignee by written agreement filed with the company.

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3. b. 5) c) (2) Individual properties.  
Refunds shall be made to the existing property owner(s).
- d) In no case shall refunds exceed the prior refundable cash payments.
- e) In no case shall existing customers be required to make additional cash payments as a result of this refund section.
- f) Refunds to extensions.
- (1) Refunds for connection of original applicant(s).  
At the time of installation, the original contributor(s) received the extension allowances of these extension rules. Therefore no further refunds are due for the connection of the original customers.
- (2) Customer additions to the same extension.  
A refund equal to the extension allowance dollar amount effective at the time the original extension occurred, or the current extension allowance, whichever is greater, minus added investment in distribution system shall be made for any permanent customer added to the extension. The added investment in distribution system shall be based on costs at the time the customer addition occurs.
- g) Refund amounts to customers connected prior to 3-1-83 shall be based on the prior extension rules. Methods for determining which customers are part of the prior extension shall be based on the prior extension rules. New customer(s) connected as part of these prior extensions shall receive service in accordance with current extension rules.
3. c. The customer is responsible for having the site ready for installation of facilities. If the customer notifies the company that the site is ready and the contractor arrives to find it not ready for the installation of facilities, the customer shall be responsible for all costs associated with the return to the site.

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4. MISCELLANEOUS EXTENSIONSa. Temporary Extension

The customer shall pay the entire estimated cost of connecting and disconnecting temporary service, including the estimated cost of installation and removal of any poles, wires, transformers, meter equipment, other facilities and maintenance incurred as part of the installation and removal, less salvage. These charges shall be in addition to the rate applicable to the type of service supplied.

b. Special Facilities

The company shall install only those facilities deemed necessary to render service in accordance with the tariff schedules. If the applicant requests special facilities or added costs in addition to the standard facilities normally installed or costs normally incurred by the company, the extra investment or cost shall be paid by the applicant. This payment shall be made in advance of construction. The company reserves the right to deny the installation of special facilities.

The contributor shall be eligible for refunds under section 3.b.5) on payments for non-standard distribution system facilities and transformers. Payments for frost removal and non-standard service facilities other than transformers shall be non-refundable.

c. Enlargement of Capacity (Including changes from single-phase to three-phase.)1) System

Customers requiring an enlargement of capacity shall receive an extension allowance based on section 3.b.2) d) for the incremental load being added. The customer shall make a refundable cash payment in advance of construction equal to the investment in standard new facilities that exceeds the extension allowance.

When a specific customer can be identified as being responsible for the enlargement, the following extension allowances shall be used:

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4. c. 1) a) Commercial, and Industrial

(1) Customers Billed on Energy-only Basis

The extension allowance in section 3.b.2) d) (2) based on the new load minus the extension allowance in section 3.b.2) (d) (2) based on existing load.

To reduce potential neutral voltage problems, the company may, at its own option and cost, provide for farm customers distribution system instead of standard service drop or lateral facilities.

(2) Customers Billed on Demand and Energy Basis

The increase load multiplied by the extension allowance in section 3.b.2) d) (3).

This method is also used for customers moving from energy-only to demand and energy billing.

b) Residential

The extension allowance in Section 3.b.2) d) that the customer qualifies for after the upgrade minus the extension allowance he qualified for before the upgrade.

2) Services

Customers requiring an enlargement of service facilities due to a significant load increase shall be treated as a new customer with respect to making contributions for standard or non-standard service facilities.

d. Replacement, Relocation and/or Rebuilding of Existing Facilities

This includes replacement of overhead facilities with underground facilities.

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4. d. 1) Distribution System Facilities  
 In addition to any other payments required by these extension rules, applicant or the customer responsible, when responsibility can be determined, shall be required to pay all costs associated with the new construction, including maintenance incurred in the process of replacement, relocation, and/or rebuilding, less salvage value on salvageable items and used life credit on non-salvageable items. Any costs associated with relocating, rewiring, etc., of customer-owned equipment or restoration of lawns, driveways, patios, etc., shall be the customer's responsibility. Street and private lighting conversions from mercury vapor to high pressure sodium shall follow procedures set forth in the company's conversion program.
- 2) Service Facilities
- a) Overhead to Underground Service Replacements  
 For replacement of an overhead service drop with an underground service lateral, the customer requesting the replacement shall be required to make a contribution equal to the cost of the underground service lateral less the cost of an equivalent overhead service drop.
- b) Transformers and Other Service Replacements/Relocations
- (1) Where Existing Facilities are Salvageable  
 The customer requesting the replacement shall be required to make a contribution equal to the costs of labor associated with the removal of the existing facilities and the installation of the new facilities.
- (2) Where Existing Facilities Are Not Salvageable  
 Section 4.d.1) shall apply.
- 3) Credit Allowances  
 Where the replacement, relocation, or rebuilding of existing facilities is required to avoid creating a code violation or to correct an existing code violation, a \$200 credit shall be applied to the customer payment required in 4.d.1) and 2).
- 4) Refunds  
 The contributor shall be eligible for refunds under Section 3.b.5) for distribution system facilities payments if:
- a) The contributor is the customer receiving service on the property or the owner of a rental property whose tenants are receiving service on the property; and

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- 4. d. 4) b) The existing facilities are on or within six feet of the contributor's property; and
- c) The new facilities significantly enhance the possibility of serving new customers as part of an original extension as defined in Section 1.a.
- e. Other  
Any extensions not covered by these extension rules shall be made in accordance with the principles of these rules and the customer shall pay for any investment in excess of the appropriate extension allowance.
- f. Electric services:  
The Company will provide an allowance to cover the cost of a standard electric service up to a maximum length of 125 feet. The customer will be responsible for a contribution payment pertaining to the following costs of an electric service:
  - 1) Portion of service that exceeds 125' in length.
  - 2) Nonstandard installation costs
  - 3) Special facilities installed at the discretion of the Company to provide a safe and reliable service or as requested by the customer and approved by the Company.
  - 4) Winter construction charges.

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Customer payment will be the result of the following formula:

Contribution= [(ACTF x ACTR) - (AF x AR)] + (SFC + WCC) where:

- ACTF = Actual footage length of electric service.
- ACTR = Actual per foot rate consisting of standard costs plus nonstandard costs.
- AF = Allowance footage length (Actual footage length not to exceed 125 feet).
- AR = Allowance rate for standard installation costs.
- SFC = Special Facility Charges.
- WCC = Winter Construction Charges.

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5. UNECONOMIC EXTENSIONS

Proposed extensions may be reviewed for economic considerations. If the cost of an extension exceeds five times the extension allowances, shown in Section 3.b. the company may require a contract with the customer. Under the terms of the contract, the customer shall be required to pay an additional monthly payment equal to the recurring estimated operation and maintenance expenses associated with that portion of the extension that is in excess of five times the average embedded cost at the time the extension was made. The reasons and supporting analysis for each contract will be furnished the customer and the Michigan Public Service Commission in writing. The company will inform the customer of the customer's right to ask the Commission for a review of the extension costs and contract provisions.

6. EXCEPTION TO EXTENSION RULE PAYMENTS

If the total payment required from the application of all sections of these extension rules totals less than \$20 from one customer or applicant, said payment shall be waived. This rule shall amend all sections of these extension rules.

7. COLLECTION OF CUSTOMER CONTRIBUTIONS FOR CONSTRUCTION:

- a. If the total advance customer payment required for the installation of an electric service is less than or equal to \$20, the advance customer payment will be waived. If the total advance customer payment required for the installation of an electric service line is greater than \$20, the Company will bill the customer and require payment in advance of construction of the electric service line.
- b. If the total advance customer payment required from the application of all sections of these extension rules except the costs associated with the installation/removal of electric service facilities (Advance Customer Payment) is less than or equal to \$20, the Advance Customer Payment will be waived. If the total Advance Customer Payment required is greater than \$20, the Company will bill the customer and require payment in advance of construction of the electric facilities.

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- 5) The total advance customer payment required for the installation of the electric service is greater than \$1,000.
  - 6) Any other reason the Company has reasonable doubt that the customer will not pay for the electric service facilities within 60 days following installation.
- b. If the total advance customer payment required from the application of all sections of these extension rules except the costs associated with the installation/removal of electric service facilities (Advance Customer Payment) is less than or equal to \$20, the Advance Customer Payment will be waived. Except as noted below, if the total Advance Customer Payment required is greater than \$20, but less than \$1,000 the Company may bill the customer and install the electric facilities before payment is received. For any amounts greater than \$20, the Company may require payment in advance of construction for any or all of the following reasons:
- 1) The customer does not have a satisfactory credit rating or standing with the Company.
  - 2) The customer has other outstanding overdue balances with the Company.
  - 3) There is a reasonable chance that the customer may never utilize the electric facilities or pay the Company. An example would include customers with other installed fuel sources.
  - 4) The customer's advance payment required for the installation of an electric service downstream of the electric facilities exceeds \$1,000.
  - 5) The total advance customer payment required for the installation of the electric facilities (excluding electric service costs) is greater than \$1,000.
  - 6) Any other reason the Company has reasonable doubt that the customer will not pay for the electric facilities within 60 days following installation.

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**C3. Standard Rules & Regulations-Line Extension Construction Policy (Closed)**

SECTION III. - LINE EXTENSION CONSTRUCTION POLICY - Closed as of January 1, 2011. For extensions occurring after this date see Sheet No. C-19.00 - C-20.80.

A. Definitions

1. Line Extension:  
A line extending from the Company's existing distribution system to the customer's meter.
2. Net Cost of Construction:  
Total cost of construction less cost of right-of-way acquisitions, permits, and clearing.
3. Average Annual Revenue:  
The average annual revenue of the connecting customer's rate classification for the previous year, as determined by the data reported in the Company's Annual FERC Form 1 Report.
4. Directly Connected Customer:  
Any customer who connects to an existing line extension within 60 months from the date of the original line extension agreement.

B. General

1. A preliminary estimate for any line extension, temporary service, moving or replacement of existing facilities will be provided at any time at no cost to the customer; such estimate will not become binding on the Company. A request for a firm estimate will require a \$50.00 fee, which will be credited towards the cost of the construction of the line extension. Firm estimates will be prepared according to Standard Form No. ENGEST 94-1, and a copy will be provided to the customer.
2. Payment in full for the work requested in (B.1) above will be made by the customer, in advance, to the Company, based on the firm estimate less the \$50.00 estimate fee. Upon completion of the work, the estimate will be compared with the actual cost. Should the estimate be higher than the actual cost, the difference will be refunded to the customer, without interest. If the actual cost is greater than the estimate, there will be no additional charges to the customer unless the additional cost resulted from conditions which could not have been anticipated, controlled or discovered without undue expense. In such event, the increased cost to the customer shall be no greater than 10% of the firm estimate. Payment for additional charges due to unforeseen circumstances can be made in two equal annual installments without interest.

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**C3. Standard Rules & Regulations—Line Extension Construction Policy (Closed)**

Continued from Sheet No. C-20.90

3. The customer will be responsible for providing all rights-of-way easements and permits as necessary for the Company to proceed with the required work. If the customer is unable to obtain the necessary easements or permits, or an alternate route is necessary, the Company reserves the right to revise the estimate and charge the customer according to the actual costs incurred.
4. Scheduling of construction shall be done as soon as reasonably possible following payment in full by the customer. If the date scheduled for commencement of construction is not satisfactory to the customer, a date mutually agreeable will be established.
5. Where additional costs are incurred by the Company at the request of the customer, the customer shall be required to pay for such costs.
6. The Upper Peninsula of Michigan was excluded from the mandatory underground rules adopted by the Michigan Public Service Commission in Case No. U-3001.
7. Each distribution line extension shall be a separate, distinct unit and any further extension therefrom shall have no effect upon the agreements under which such extension is constructed.
8. At the request of a customer, existing overhead electric distribution service lines may be replaced with underground facilities where, in the opinion of the Company, such replacement is feasible and would not be detrimental to the electric service to other customers. Before replacement construction is started, the customer shall be required to pay the depreciated cost (net cost) of the existing overhead facilities plus the cost of removal, less the value of materials salvaged, and also pay the full cost of the underground installation.
9. The Company may designate areas where, in the Company's opinion, for aesthetic or technical reasons all installations shall be underground. All future customers in such Underground District would be subject to the applicable provisions of these rules, except that the Company reserves the right to refuse to install its facilities underground in cases where, in the Company's opinion, such construction would be impractical or present a potential detriment to other customers' service.
10. In areas other than declared underground areas, if the Company, for its own convenience, installs its facilities underground, the differential between estimated overhead construction costs and underground costs of such installation will be borne by the Company.

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Continued from Sheet No. C-20.92

5. The developer or owner will be responsible for any cost of relocating or repairing Company facilities caused by his operations or the operations of anyone under the developer or owner's directions.
6. Any extension from an existing distribution system or subdivision shall be considered a distinct separate unit and treated accordingly.
7. All costs of installation, relocation or rearrangement of facilities shall be paid by the owner.

**D. Mobile Home Parks**

1. Distribution facilities in new mobile home parks shall be placed underground.
2. The Company will furnish, install, own and maintain the entire underground electric distribution system including the pre-meter portion of the service lateral cables for new mobile home parks.
3. The service for tenant loads normally available from the system will be at secondary voltage, single-phase, 120/240 volt, three wire, 60 Hz. Three-phase service will be made available for pumps and service installations only under terms of a separate agreement. Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals may be above-grade. The area must be suitable for the direct burial installation of cable.
4. The park owner must provide for each mobile home lot an industry-recognized meter pedestal that meets the National Electrical Code and all state and local ordinances.
5. All costs of installation, relocation or rearrangement of facilities shall be paid by the owner.
6. In the event the park owner requests relocation of facilities or such facilities are endangered by change in grade, the park owner shall pay the cost of the relocation or rearrangement of the facilities.
7. Mobile home parks are considered residential installations for purposes of refunding.

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Continued from Sheet No. C-20.93

E. Residential1. Definitions

- a. Year-round Residential Service - Service to customer at address shown on driver's license and voter's registration card.
- b. Seasonal Residential Service - Service to customer other than year-round customer.

2. Charges

Actual cost of construction.

3. Refunds

- a. At the time of connection, a refund will be made to the original customer or developer of three times that customer's average annual distribution revenue, not to exceed the net cost of construction.

- b. Refunds for Direct Connections to a Residential Line Extension:

During the 60-month period immediately following the date of the original line extension agreement, the Company will make refunds, without interest, to the original residential customer for each subsequent direct connection to the line extension as follows:

## 1. Direct Connections - Residential

A refund will be made to the original residential customer for subsequent direct connections to the original line extension by residential service customers equal to three times the average annual distribution revenue of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

## 2. Direct Connections - Commercial/Industrial

A refund will be made to the original residential customer for subsequent direct connections to the original line extension by commercial or industrial service customers equal to the first 24 months' actual distribution revenue (less sales tax) of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

Continued to Sheet No. C-20.95

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**C3. Standard Rules & Regulations—Line Extension Construction Policy (Closed)**

Continued from Sheet No. C-20.94

- c. Notwithstanding any of the above, the total of all refunds to the original residential line extension customer or developer shall not exceed the original customer's net cost of construction.

F. Commercial/Industrial1. Charges

Actual cost of construction.

2. Refunds

- a. An amount equal to each month's actual distribution revenue shall be credited to the original commercial/industrial customer's monthly billing, (less sales tax) for a period of 24 months. The refund shall be limited to the net cost of construction.

## b. Refunds for Direct Connections to a Commercial Line Extension:

During the 60-month period following the date of the original line extension agreement, the Company will make refunds, without interest, to the original commercial/industrial customer for each subsequent direct connection to the line extension as follows:

## 1. Direct Connections - Residential

A refund will be made to the original commercial/industrial customer for subsequent direct connections to the original line extension by residential service customers equal to three times the average annual distribution revenue of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

## 2. Direct Connections - Commercial/Industrial

A refund will be made to the original commercial/industrial customer for subsequent direct connections to the original line extension by commercial or industrial service customers equal to the first 24 months' actual distribution revenue (less sales tax) of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

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**C3. Standard Rules & Regulations-Line Extension Construction Policy (Closed)**

Continued from Sheet No. C-20.95

- c. Notwithstanding any of the above, the total of all refunds to the original commercial/industrial line extension customer shall not exceed the original net cost of construction.

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**C3. Standard Rules & Regulations-Line Extension Construction Policy**

Continued from Sheet No. C-20.00

**C. Subdivisions**

1. Residential subdivisions and other areas where a governmental body or owner mandates underground distribution facilities and services shall be designated as Underground Districts. The Company may also designate areas where, in the Company's opinion, such designation would be desirable for aesthetic or technical reasons. All future applicants for service in the Underground District would be subject to the applicable provisions of these rules, except that the Company reserves the right to refuse to install its facilities underground in cases where, in the Company's opinion, such construction would be impractical or present a potential detriment to other customers' service.
2. The Company will furnish, install, own, and maintain the entire underground electric distribution system, including the service lateral cables. The trenches for primary or secondary cables may be occupied jointly by facilities of the Company and other utilities where satisfactory agreement for reimbursement exists between the Company and other utilities. Company cables shall be separated by at least five (5) feet from paralleling underground facilities of other utilities, i.e. gas, water, etc., which do not share the same trench. The underground placement of all facilities shall be performed in compliance with Federal, State and local codes. The Company agrees to notify other utilities when maintenance of facilities requires digging in the easement and to comply with the requirements of MCL 460.701 et seq.
3. The service normally available from the system will be at secondary voltage, single-phase, three-wire, 60 Hz. When required, three-phase service will be made available.
4. The developer or owner must provide for recorded easements or right-of-way acceptable to the Company. The easements are to be coordinated with other utilities and will include easements for street lighting cable. The easement or right-of-way must be cleared of all trees, stumps, and obstructions to allow trenching equipment to operate. Survey stakes indicating easements, lot lines, and grade must be in place, and the developer or owner must certify to the Company that the easements are graded to within four (4) inches of final grade before the underground distribution facilities are installed.

Continued to Sheet No. C-22.00

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**C3. Standard Rules & Regulations-Line Extension Construction Policy**

Continued from Sheet No. C-21.00

5. The developer or owner will be responsible for any cost of relocating or repairing Company facilities caused by his operations or the operations of anyone under the developer or owner's directions.
6. Any extension from an existing distribution system or subdivision shall be considered a distinct separate unit and treated accordingly.
7. All costs of installation, relocation or rearrangement of facilities shall be paid by the owner.

**D. Mobile Home Parks**

1. Distribution facilities in new mobile home parks shall be placed underground.
2. The Company will furnish, install, own and maintain the entire underground electric distribution system including the pre-meter portion of the service lateral cables for new mobile home parks.
3. The service for tenant loads normally available from the system will be at secondary voltage, single-phase, 120/240 volt, three wire, 60 Hz. Three-phase service will be made available for pumps and service installations only under terms of a separate agreement. Certain related equipment, such as pad-mounted transformers, switching equipment and service pedestals may be above-grade. The area must be suitable for the direct burial installation of cable.
4. The park owner must provide for each mobile home lot an industry-recognized meter pedestal that meets the National Electrical Code and all state and local ordinances.
5. All costs of installation, relocation or rearrangement of facilities shall be paid by the owner.
6. In the event the park owner requests relocation of facilities or such facilities are endangered by change in grade, the park owner shall pay the cost of the relocation or rearrangement of the facilities.
7. Mobile home parks are considered residential installations for purposes of refunding.

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E. Residential1. Definitions

- a. Year-round Residential Service - Service to customer at address shown on driver's license and voter's registration card.
- b. Seasonal Residential Service - Service to customer other than year-round customer.

2. Charges

Actual cost of construction.

3. Refunds

- a. At the time of connection, a refund will be made to the original customer or developer of three times that customer's average annual distribution revenue, not to exceed the net cost of construction.
- b. Refunds for Direct Connections to a Residential Line Extension:

During the 60-month period immediately following the date of the original line extension agreement, the Company will make refunds, without interest, to the original residential customer for each subsequent direct connection to the line extension as follows:

## 1. Direct Connections - Residential

A refund will be made to the original residential customer for subsequent direct connections to the original line extension by residential service customers equal to three times the average annual distribution revenue of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

## 2. Direct Connections - Commercial/Industrial

A refund will be made to the original residential customer for subsequent direct connections to the original line extension by commercial or industrial service customers equal to the first 24 months' actual distribution revenue (less sales tax) of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

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**C3. Standard Rules & Regulations-Line Extension Construction Policy**

Continued from Sheet No. C-23.00

- c. Notwithstanding any of the above, the total of all refunds to the original residential line extension customer or developer shall not exceed the original customer's net cost of construction.

F. Commercial/Industrial1. Charges

Actual cost of construction.

2. Refunds

- a. An amount equal to each month's actual distribution revenue shall be credited to the original commercial/industrial customer's monthly billing, (less sales tax) for a period of 24 months. The refund shall be limited to the net cost of construction.

## b. Refunds for Direct Connections to a Commercial Line Extension:

During the 60-month period following the date of the original line extension agreement, the Company will make refunds, without interest, to the original commercial/industrial customer for each subsequent direct connection to the line extension as follows:

## 1. Direct Connections - Residential

A refund will be made to the original commercial/industrial customer for subsequent direct connections to the original line extension by residential service customers equal to three times the average annual distribution revenue of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

## 2. Direct Connections - Commercial/Industrial

A refund will be made to the original commercial/industrial customer for subsequent direct connections to the original line extension by commercial or industrial service customers equal to the first 24 months' actual distribution revenue (less sales tax) of the directly connected customer minus the net cost of construction of that direct connection. The minimum refund shall be \$500.00.

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**C3. Standard Rules & Regulations-Line Extension Construction Policy**

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- c. Notwithstanding any of the above, the total of all refunds to the original commercial/industrial line extension customer shall not exceed the original net cost of construction.

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