

**Subject: ELECTRIC SYSTEM EXTENSIONS**

The HPUC will extend its electric distribution system to serve a new customer or group of customers at their request. The following primary and/or secondary extensions will be provided at no cost to the customer(s):

1. Up to two poles and two spans of standard construction;
2. Up to four spans when the poles are already in place;
3. Up to 500 feet of underground primary construction.

The HPUC will extend its system in excess of two poles and two spans or four spans at no cost to the customer or group of customers provided the following stipulation is met.

- The estimated cost of construction and installation of the extension is not greater than a reasonable multiplier of the estimated annual revenue to be derived from the extension.

If the above stipulation is not met, the HPUC requires that the customer or group of customers make a deposit to the HPUC equal to the difference between the estimated cost of construction and installation of the extension and three times the estimated annual revenue. If the actual cost of the construction and installation is less than the estimated cost, the customer's deposit will be adjusted according to the actual cost. If an additional customer is connected to the same extension during the first five years of service, the HPUC will refund the original customer(s) an amount equal to the difference between three times the estimated annual revenue of the additional customer and the actual cost of construction and installation of the extension to serve him/her. This amount will never be more than the deposit of the original customer(s).

The HPUC bases all estimates of construction and installation costs and estimated annual revenues on past experience with similar installations.

The title to every electrical extension is held by the HPUC. The HPUC has the right to add additional customers to an extension and to make new extensions to an existing extension without the consent of any customer or group of customers, even if the customer(s) contributed to the original construction and installation costs of the original extension.

### **Other Electrical Extensions**

All other extensions not described above, including single-phase lines over 13,000V and three-phase lines, will be made free of charge and inclusive of local equipment, if the cost is up to four times the estimated annual revenue to be received from the extension. Customers may be required to guarantee the revenue from the extension in a reasonable amount of time.

### **Deposit for Extension of Service**

The HPUC may require a deposit from the customer for an extension of service when the permanency of the service is in question. The deposit will be an amount equal to the total cost to the HPUC of the extension necessary to render service. The deposit will bear no interest and will be refunded to the customer through credits equal to 10% of the customer's monthly service statements during the term of the service contract. If there is any deposit balance at the termination of the service contract, the balance will be retained by the HPUC, less any adjustment for salvage.