

Rule 15
DISTRIBUTION LINE EXTENSIONS

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(Continued)

C. DISTRIBUTION LINE EXTENSION ALLOWANCES

1. GENERAL. SCE will complete a Distribution Line Extension without charge provided SCE'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 SCE. The allowance will first be applied to the Service Extension 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. SCE 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 SCE.

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 \$2,322 per meter or residential dwelling unit. (l)

4. NON-RESIDENTIAL ALLOWANCES. The allowance for Distribution Line Extensions, or a combination thereof, for Permanent Non-Residential Service is determined by SCE using the formula in Section C.2.

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, 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)

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E. REFUNDS. (Continued)

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 SCE is first ready to serve, Applicant will pay to SCE a Monthly Ownership Charge of 0.4% for administrative and general (A&G) expense, Franchise Fees and Uncollectibles (FF&U), ad valorem tax, insurance, and operations and maintenance (O&M) expense on the remaining refundable balance. Monthly ownership costs are in addition to the refundable amount and will normally be accumulated and deducted from refunds due to Applicant. This provision does not apply to individual residential Applicants. The Monthly Ownership Charge includes replacement for 60 years at no additional cost and is derived from the Customer-Financed With Replacement at Additional Cost Added Facilities rates determined in SCE's general rate case proceeding and/or periodic annual review. (l)
7. REFUND TIMING. Refunds will be made without interest within ninety (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 fifty dollars (\$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 SCE is first ready to serve. Any unrefunded amount remaining at the end of the ten-year period shall become property of SCE.
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.
11. SERIES OF DISTRIBUTION LINE EXTENSIONS. Where there is a series of Distribution Line Extensions, commencing with a Distribution Line 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.

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J. DEFINITIONS FOR RULE 15

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

Applicant: A person or agency requesting SCE to deliver/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 14-754), 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 SCE in addition to those required under Section B.1.a.

Cabling: Conductors (including existing cable-in-conduit, connectors, switches, as required by SCE 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 SCE (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 SCE at any time during SCE's work on an extension which is part of SCE's total estimated installed cost of its facilities, or cash payments not covered by Applicant's allowances.

Cost of Service Factor: The 16.68% Cost of Service Factor is comprised of capital and operations and maintenance (O&M) cost components including: rate of return, depreciation rates, administrative and general (A&G) expense, Franchise Fees and Uncollectibles (FF&U), ad valorem tax, insurance, Federal income tax, State income tax, operations and maintenance (O&M) expense and replacement for 60 years at no additional cost. The Factor is applied to the Net Revenue to determine SCE's investment in distribution facilities, and is derived from the SCE-Financed with Replacement at Additional Cost Added Facilities rates determined in SCE's general rate case proceeding and/or periodic annual review. (l)

Distribution Line Extension: New distribution facilities of SCE 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. SCE'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: Overhead and underground facilities which are operated at distribution voltages, 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).

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