

**South Carolina Public Service Authority  
(Santee Cooper)  
Residential Electric Line Extension Policy**

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## **Section 1: Application and Scope**

This Residential Electric Line Extension Policy establishes a uniform procedure for calculating on an equitable basis, the amounts, if any, due as contributions in aid of construction (“CIAC” as defined herein) from residential customers or developers to Santee Cooper who request new, non-standard, unusual or upgraded electric service facilities.

## **Section 2: Overview**

When a facility that requires electric service has been, is being, or is to be constructed in Santee Cooper’s electric service territory, the entity that owns the facility or its representative (customer) must apply to, and enter into, an agreement with Santee Cooper to be connected to the electric system (Line Extension Application Agreement, see Section 8 herein). There are generally two types of electric supply equipment required to make the electrical connection: (1) a Distribution Line Extension; and (2) a Service Extension, as defined herein.

The cost of a Line Extension is divided into two parts: (1) a ‘system component’, which is paid by Santee Cooper and (2) a ‘customer component’, which is paid by the customer or developer in advance of construction, or CIAC. Partial refunds of the CIAC, if any, will be paid to the customer in cases where additional Line Extensions are subsequently connected to a pre-existing Line Extension within a five (5) year period of its Initial In-Service date, as defined herein. Revenue Credits, if any and as defined herein, will be provided by Santee Cooper as applicable to the customer or developer. Schedules for payment of CIAC, if any, to Santee Cooper from the customer or developer, will be defined in the Line Extension Application Agreement. Similarly, schedules for conveyance of Revenue Credits, if any, from Santee Cooper to the customer or developer, will be defined in the Line Extension Application Agreement.

## **Section 3: Definitions**

### **3.1 Abnormal Costs**

Abnormal Costs are those costs incurred by Santee Cooper beyond the costs that Santee Cooper would incur if Santee Cooper applied its standard design and construction procedures to the work (Standard Design Criteria, as defined herein). Such costs may arise as a result of customer preferences, directional boring, regulatory requirements, easements and rights-of-way in the design of the extension, redesign, construction modifications, physical obstacles during construction or other unusual impediment. Abnormal costs will be defined solely by Santee Cooper and may include those costs that are beyond the direct control of either Santee Cooper or the customer or developer.

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**3.2 Annual Electric Energy Usage**

Annual Electric Energy Usage means the total estimated average annual energy usage for a “typical” residential customer served by Santee Cooper and as defined by Santee Cooper.

**3.3 Construction Cost**

Construction Cost means the estimated installed cost of constructing Santee Cooper’s facilities to the point(s) of service using Santee Cooper’s Standard Design Criteria including, but not limited to: (a) the cost of removal, less salvage value, for any existing facilities, (b) the cost of materials, labor, transportation, engineering, inspection, financing and (c) applicable administration overheads and burdens, plus any Abnormal Costs. The Construction Cost shall exclude the cost of overhead primary line extensions along public roads generally outside or near the prescribed boundaries of the owner’s property line or a Development. Construction Cost will be determined solely by Santee Cooper.

Construction Cost = Cost of Line Extension using Santee Cooper’s Standard Design Criteria, and construction methods, plus any Abnormal Costs.

**3.4 Construction Cost Differential**

Construction Cost Differential means the difference in cost between the Standard Service and the type of service requested by the customer (customer request may affect size, location, route, and other factors), using Santee Cooper’s Standard Design Criteria and construction methods to supply the customer’s stated load. Construction Cost Differential will be determined solely by Santee Cooper.

Construction Cost Differential = Cost of customer’s service using Santee Cooper’s Standard Design Criteria and construction methods minus cost of Standard Service.

**3.5 Contributions In Aid of Construction (CIAC)**

CIAC means the monetary amount due to Santee Cooper from the customer or developer, as determined by Santee Cooper, and paid to Santee Cooper in advance of construction.

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**3.6 Development**

Development means land, land rights and/or improvements owned, leased or under the control of a single person, entity or association when that single person, entity or association has offered or plans to offer two or more parcels within the boundaries of the land for sale or lease, or it is reasonably expected that two or more parcels within the boundaries of the land will be offered for sale or lease, as approved by the appropriate units of government.

**3.7 Distribution Line Extension**

Distribution Line Extension means any new single-phase or polyphase distribution facilities that include, but are not limited to, conductors, poles, transformers, wires, hardware and conduits to comply with Santee Cooper's construction standards that will be used to extend Santee Cooper's existing electric distribution system. A Distribution Line Extension does not include a Service Extension to serve the customer.

**3.8 Idle Facilities**

Idle Facilities means those facilities that were installed by Santee Cooper in a Development, but are not being utilized as set forth in the developer's application for a Line Extension Service.

**3.9 Incremental Energy Usage**

Incremental Energy Usage means that portion of the Annual Electric Energy Usage estimated to be associated with certain typical appliances and equipment, including, but not limited to, space conditioning, cooking, water heating, and clothes drying. Incremental Energy Usage will be determined by Santee Cooper's estimate of a customer's average annual kWh usage associated with certain appliances and equipment as defined by Santee Cooper.

**3.10 Incremental Revenue**

Incremental Revenue means the revenue contribution to the system's fixed costs provided by Incremental Energy Usage on an annual basis. Incremental Revenue is calculated by multiplying the customer's or Development's estimated Incremental Energy Usage by the then calculated fixed cost component of the base energy rate set forth in the Line Extension Application Agreement.

**3.11 Initial In-Service Date**

The Initial In-Service Date means the date that the Line Extension is energized.

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**3.12 Line Extension**

Line Extension means both Distribution Line Extension and Service Extension.

**3.13 Line Extension Application Agreement**

Line Extension Application Agreement means the agreement that will set forth specific requirements, responsibilities, and rights of the customer/developer and Santee Cooper as described in Section 8.7 herein.

**3.14 Normal Point of Service**

Normal Point of Service means that the meter base is installed on the outside wall at the end of the residential structure that is closest to Santee Cooper's distribution facilities or around the back corner of the structure, no more than two (2) feet from the corner of the structure.

**3.15 Primary Distribution Facilities**

Primary Distribution Facilities means electric distribution facilities operating at greater than 600 volts.

**3.16 Revenue Credit**

Revenue Credit means a one-time credit given by Santee Cooper to its qualifying electric customers and developers of residential communities. The Revenue Credit will be calculated by multiplying the lesser of **(A)** five (5) times the estimated annual Incremental Revenue or, **(B)** the Construction Cost Differential, by **(C)** the percentage of Incremental Energy Usage applicable to the customer or developer.

$$\text{Revenue Credit} = (\text{Lesser of 'A' or 'B'}) * C$$

The Revenue Credit may not exceed the Construction Cost Differential. Santee Cooper will solely be responsible for determining the amount of the Revenue Credit, if any, applicable to the customer or developer. The estimated amount and schedule for conveyance of the Revenue Credit, if any, will be included in Line Extension Application Agreement.

Note: Where Abnormal Costs arise, the customer will be required to pay such costs and such Abnormal Costs will not be the basis for the Revenue Credit

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**3.17 Secondary Distribution Facilities**

Secondary Distribution Facilities means electric distribution facilities operating at 600 volts or less, including services.

**3.18 Service Extension**

Service Extension means the distribution facilities that are necessary to electrically connect Santee Cooper's distribution system to the customer's meter.

**3.19 Standard Design Criteria**

Standard Design Criteria means the most cost-effective design and construction practices using typical and standard material, equipment, and construction techniques, including but not limited to, efficient routing, accessible locations, and open-trench construction. Typical and standard techniques will be determined solely by Santee Cooper. Examples of non-standard techniques can be found in the Abnormal Costs definition.

**3.20 Standard Service**

Standard Service means Santee Cooper's single-phase size 1/0 overhead service up to 100 feet at Santee Cooper's available voltage to the Normal Point of Service for an average residential customer. A Standard Service is installed as a single span of secondary line. Costs associated with Standard Service will be determined solely by Santee Cooper. If primary voltage is required to serve an individual residential customer or inside the prescribed boundaries of a residential development, an allowance of single-phase overhead primary per lot will be made as set forth in the Line Extension Application Agreement, which may change from time to time. When less than the allowed amount of primary line is required for service, no credit beyond the required amount will be given.

If other than single-phase service is required within a Development to meet system reliability requirements, as solely determined by Santee Cooper, then Santee Cooper shall install non-single-phase overhead Line Extensions, without cost to the developer, up to the allowed amount of overhead primary line per lot as stated above.

**3.21 Temporary/Small Service**

Temporary Service means service to small and/or temporary loads, construction sites or other temporary facilities including, but not limited to, garages, barns, trailers, pumps, signs, communication towers or other similar uses.

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**Section 4: Permanent Electric Service to Individual Customers**

This section of the Residential Electric Line Extension Policy applies to individual customers applying for permanent electric service to a single residential structure as specified in the Line Extension Application Agreement.

**4.1 Line Extensions Involving Only Secondary Distribution Facilities**

1. Single-Phase Service

a) Overhead Line Extension

For single-phase overhead Line Extensions from Secondary Distribution Facilities to a Normal Point of Service or point other than a Normal Point of Service, the customer's CIAC will be the amount of Construction Cost Differential plus any Abnormal Costs.

b) Underground Line Extension

For single-phase underground Line Extensions from Secondary Distribution Facilities to a Normal Point of Service or a point other than a Normal Point of Service, the customer's CIAC will be the amount of the Construction Cost Differential plus any Abnormal Costs.

2. Three-Phase Service

For three-phase overhead or underground Line Extensions from Secondary Distribution Facilities to a Normal Point of Service or any other point as agreed to by Santee Cooper, the customer's CIAC will be the amount of the Construction Cost Differential plus any Abnormal Costs.

**4.2 Line Extensions Involving Primary and Secondary Distribution Facilities**

For single-phase or three-phase overhead and underground Line Extensions involving Primary Distribution Facilities and Secondary Distribution Facilities to a Normal Point of Service or any other point as agreed to by Santee Cooper, the customer's CIAC will be the amount of the Construction Cost Differential plus any Abnormal Costs.

**4.3 Overhead Extension Relocation, Upgrade or Replacement and Underground Extension Relocation, Upgrade, Replacement or Conversion**

1. When a customer requests Santee Cooper relocate an existing overhead or underground Line Extension, the customer's CIAC will be the Construction Cost.

2. When the customer's electrical load requires an upgrade or replacement of the existing overhead or underground service, the customer's CIAC, at

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Santee Cooper's sole discretion, may be the Construction Cost. The Revenue Credit, if any, shall be calculated based on estimates of additional electric load with improvements made to the residential structure, which are related to the request for the upgrade or replacement of existing overhead or underground service. The estimates of additional load will be developed solely by Santee Cooper and will serve as the basis for the Incremental Energy Usage, as applied to this subsection of the Residential Line Extension Policy.

3. When a government entity requires existing overhead services to be relocated, the customer will not be billed for such Construction Costs.
4. When an existing overhead service is converted or replaced with an underground extension for Santee Cooper's system benefit, as defined by Santee Cooper, the customer will not be billed for such conversion or replacement costs.
5. When an individual customer requests the conversion of existing overhead service to underground service, the customer's CIAC will be the Construction Cost of the conversion from overhead service to underground service. The Revenue Credit, if any, shall be calculated based on estimates of additional electrical load with improvements made to the residential structure, which are related to the request for the conversion of electric service. The estimates of additional load will be developed solely by Santee Cooper and will serve as the basis for the Incremental Energy Usage, as applied to this subsection of the Residential Line Extension Policy.

## **Section 5: Permanent Electric Service to Developments**

This section of the Residential Electric Line Extension Policy applies to customers or developers applying for permanent electric service within a Development, as defined herein.

### **5.1 Single-Phase Service**

#### **1. Overhead Line Extension**

For single-phase overhead Line Extensions from a Distribution Facility to a Normal Point of Service, or point other than a Normal Point of Service, the developer's (customer) CIAC will be the amount of Construction Cost Differential plus any Abnormal Costs.

In the case of a Development where the developer requests the installation of the Distribution Line Extension and an individual customer requests the

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Service Extension, the Revenue Credit may be prorated between the developer and the individual customer on the basis of the ratio of the Construction Cost Differential that each is bearing in connection with the supply of electrical power to the subject premises, at the discretion of Santee Cooper.

2. **Underground Line Extension**

If a developer requests underground service, the entire Development may be considered an underground area. However, this does not imply that future phases may be limited to underground service only. The then current developer must specify overhead or underground service at the time that additional service extension facilities are requested. The then current developer's CIAC, if any, will be the amount of the Construction Cost Differential plus any Abnormal Costs. The Revenue Credit, if any, shall be based on estimates of the Incremental Energy Usage.

**5.2 Non-Single-Phase Service**

For other than the standard single-phase overhead Line Extensions (Standard Service) to provide service within a Development, the developer's CIAC will be the amount of the Construction Cost Differential, plus any Abnormal Costs. If non-single phase service is required within a Development to meet system reliability requirements, as solely determined by Santee Cooper, then Santee Cooper shall install non-single-phase overhead Line Extensions, without cost to the developer, up to the allowed amount of overhead primary line per lot as referenced in Section 3.20 - Standard Service.

In order to avoid excess investment in Idle Facilities, Santee Cooper may limit the extent of the installation in a Development to that area which, in Santee Cooper's sole judgment, is likely to be occupied within a reasonable period of time. However, Santee Cooper will proceed with the installation in any additional area upon the payment by the developer of a partially refundable deposit or other security instrument acceptable to Santee Cooper, equal to the Construction Cost, as specified in the Line Extension Application Agreement.



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## **Section 6: Temporary/Small Service**

For any type of new or upgraded Service Extension to provide Temporary/Small Service, the customer's CIAC will be the Construction Cost. The customer or developer is solely responsible for the costs associated with Temporary/Small Service. Temporary/Small Service is not subject to the Revenue Credit.

## **Section 7: Service from Prior Primary or Secondary Distribution Line Extension**

Customers applying for service from a prior existing Line Extension less than five (5) years old, for which a contribution has been made by another customer, must pay their proportionate share of Construction Costs, based on estimated load, in advance of construction as determined by Santee Cooper. This amount is in addition to any customer contributions required to make the electrical connection from that prior existing Line Extension to the meter.

## **Section 8: General Provisions**

### **8.1 Administrative Application**

Santee Cooper will administer this policy in a fair and equitable fashion, in order to achieve an appropriate allocation of costs between and among customers consistent with traditional cost causation principles.

### **8.2 Standards, Codes and Laws**

In the design, construction, acceptance and operation of Line Extensions, Santee Cooper will comply with usual utility standards and practices, and all known and applicable local, State and national codes, requirements and laws.

Santee Cooper will only provide electric service to those facilities where it can be demonstrated in writing that the facility passed the required inspections conducted by the appropriate government entity and by Santee Cooper.

### **8.3 Ownership**

Notwithstanding the payment of all or a portion of the Construction Cost or any CIAC by the customer, upon acceptance by Santee Cooper, the facilities comprising the Line Extension shall become the property of Santee Cooper free from any and all claims or liens. Santee Cooper shall not energize the customers' premises until title to all applicable facilities are accepted by Santee Cooper and any outstanding CIAC is paid by the customer.

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**8.4 Rights-of-Way and Easements**

The customer will convey or cause to be conveyed, without cost to Santee Cooper, all necessary easements and rights-of-way for the construction, installation and maintenance of the facilities comprising the Line Extension.

The customer shall be responsible for various make-ready tasks necessary to make the Line Extension. These tasks include the initial land clearings, establishment of final grade, removal of stumps or other obstructions and debris, but may vary depending on the type of Line Extension requested. In lieu thereof, Santee Cooper may provide such service as Abnormal Costs that are charged to the customer.

**8.5 Payments and Refunds**

Santee Cooper customers will pay the appropriate costs, including CIAC, as determined by Santee Cooper of any Line Extension prior to the construction and acceptance of the facilities. Santee Cooper may allow a portion of CIAC to be covered by a bond under such terms and conditions as may be determined by Santee Cooper in its sole discretion.

At the expressed written consent of Santee Cooper, the customer may reduce the required payment contained herein by performing tasks, in accordance with Santee Cooper's specifications, including, but not limited to, trenching, cutting and replacing of pavement and other obstructions that would impede Santee Cooper from using typical construction materials, methods and equipment, and would not reduce the quality of the installation and maintenance of the facilities to be installed.

Santee Cooper shall determine and refund all or a portion of any payments made by new customers associated with a pre-existing Line Extension where a CIAC of more than \$1,500 was paid, for a period not to exceed five (5) years from the date of the initial CIAC, upon written request from the developer/property owner of the affected properties. Refunds shall apply to monetary contributions received by Santee Cooper and refunds shall be made to the developer (in the case of a development) or legal owner(s) (in the case of a single lot) of the property served by the Line Extension at the time of the refund. In no case shall any customer receive a refund in excess of the customer's original monetary contribution net of Revenue Credits, if any, received by the customer.

Where Abnormal Costs arise, the customer will be required to pay such costs and such Abnormal Costs will not be offset by Revenue Credit.

**8.6 Type of Distribution Facilities**

Santee Cooper shall have the right to install an overhead or underground distribution system at its option. However, if the customer or developer requests, or a governmental ordinance or other legal authority requires, that such distribution facilities be placed underground rather than overhead, the customer or developer shall be subject to, and pay, the CIAC as outlined in this policy.

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Under normal situations, as determined by Santee Cooper, Santee Cooper will not install overhead distribution facilities, or replace underground facilities with overhead distribution facilities, in an area served by an electric underground distribution system.

Santee Cooper will provide a Service Extension, either overhead or underground, at one of Santee Cooper's standard voltages. The type and location of these facilities will be in accordance with typical utility practices as determined by Santee Cooper.

**8.7 Line Extension Application Agreement**

In administering this policy, the customer and Santee Cooper will enter into a Line Extension Application Agreement, as defined in Section 3.14, in advance of any construction work undertaken by Santee Cooper. This Line Extension Application Agreement will set forth the specific requirements, responsibilities and rights of both the customer and Santee Cooper. The customer and Santee Cooper will rely on the information set forth in the Line Extension Application Agreement. Among other things, the Line Extension Application Agreement will address, as applicable, the following areas:

1. The specific type of facilities desired or required, including but not limited to, size, type, voltage level, number of electrical services, service location, and other unique requirements e.g., private area/roadway lighting.
2. The schedule for (a) the planned development and construction including other infrastructure improvements e.g., potable water, reclaimed water, sanitary and stormwater sewers, telephone, CATV, natural gas, propane, sidewalks, landscaping and street paving, (b) the sale of residential structures, and (c) the occupancy of residential structures including any ancillary or common units.
3. The availability of all permits and a recorded plat plan with premise addresses.
4. The conveyance to Santee Cooper of easements and rights-of-way and the use thereof.
5. The availability of detailed estimates and timing of electrical loads, alternative energy suppliers and facilities e.g., natural gas, propane, solar, wind, etc.
6. The determination by Santee Cooper of Construction Costs, Abnormal Costs, the Construction Cost Differential, the CIAC and Revenue Credit(s), if any, including estimates of Annual Average Electric Energy Usage and Incremental Electric Energy Usage. Santee Cooper reserves the right to amend cost determinations included in the Line Extension Application Agreement to reflect changes in the above costs / credits over the period of the Line Extension Application Agreement.

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7. The schedule for conveyance of CIAC to Santee Cooper and/or Revenue Credits, if any, as applicable to the customer will be determined in relation to the Initial In-Service Date(s) and other schedules as described in the Line Extension Application Agreement. The conveyance of the CIAC to Santee Cooper from customer will be made prior to the initiation of construction activities by Santee Cooper, the dates for which will be specified in the Line Extension Application Agreement. The conveyance of Revenue Credits, if any, from Santee Cooper to the customer will be as specified in the Line Extension Application Agreement.
8. Provision for reconciliation, review and audit of the Line Extension Application Agreement. As requested by the customer or determined by Santee Cooper, the plans, estimates, specifications, schedules, permits, conveyances and services as provided and described herein will be reviewed on a periodic basis to assure compliance and/ or document changes, if any, during the development, construction, sale and occupancy period.
9. As determined by Santee Cooper, the customer shall be responsible for the costs associated with changes, if any, between the initial or amended estimates and/or determinations as identified in the construction plans and/or Line Extension Application Agreement and information either provided by customer at a later date or discovered during the audit process. This includes changes to the timing and payment of CIAC, other Construction Costs (including Abnormal Costs, if any), as well as estimated Revenue Credits, if any, resulting from changes in customer provided data, information, conveyances, services and schedules.
10. Other special provisions.