

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

A meeting of the Public Service Commission was held this date. Present: Chairman William A. Logan, Vice Chairman Barkley J. Sturgill and Commissioners Charles W. Berger, Robert E. Spurlin and Joe S. Wheeler, Jr.

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In the Matter of

THE REVISION OF COMMISSION)
RULES GOVERNING ELECTRIC) ADMINISTRATIVE CASE NO. 146
UTILITIES)

ORDER

On February 24, 1969, the Home Builders Association of Kentucky filed a complaint against Louisville Gas and Electric Company, Kentucky Utilities Company, The Union Light, Heat and Power Company and Kentucky Power Company complaining of certain rules and methods of the Defendants relating to underground service connections and seeking amendment of certain Commission regulations to require such extensions of the utilities' expense. After public hearings were held, the Commission reviewed the record and found that its present powers and procedures did not allow the Commission to continue these proceedings as the issues were drawn and that public interest in the matter would require the Commission to investigate the subject matter of the Complaint. The Commission then ordered that the above proceedings be dismissed and directed the Commission staff to investigate the subject matter and offer for consideration rules relative to the installation of underground electrical supply systems in new residential subdivisions.

After consideration of the comments and suggestions offered in the above proceedings, the Commission staff offered for consideration at a hearing on the 22nd day of February, 1972, a proposed set of regulations to cover the installation of underground electric facilities in new residential subdivisions. Many comments were received and the Commission continued these

proceedings and directed the staff to consider all suggestions and meet with all interested parties before the next hearing. This was done and a conference was held with all interested parties on April 21, 1972, in the Commission's offices in Frankfort, Kentucky.

After consideration of all new suggestions, the staff presented a final draft of the proposed regulations to the Commission and these were presented to the public in a formal hearing held in the Commission's offices in Frankfort, Kentucky, on the 14th day of November, 1972.

After consideration of the comments and suggestions offered by those in attendance at said hearings and being fully advised, the Commission, on its own motion, ORDERS That the Regulations attached hereto as Appendix "A" and consisting of Rules for New Electric Underground Extensions be and they hereby are adopted.

Done at Frankfort, Kentucky, this 2nd day of February, 1973.

By the Commission

ATTEST:

Richard D. Hansen, Jr.
Secretary

APPENDIX "A"

APPENDIX TO THE ORDER OF THE PUBLIC SERVICE COMMISSION
IN ADMINISTRATIVE CASE NO. 146, DATED FEBRUARY 2, 1973

RULES FOR NEW RESIDENTIAL
ELECTRIC UNDERGROUND EXTENSIONS

A. PURPOSE OF RULES

The purpose of these rules is to formulate, for the State of Kentucky, uniform requirements for underground electrical supply systems in new residential subdivisions, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation or use of underground systems and to the public in general.

B. APPLICABILITY

These rules shall apply to all underground electrical supply facilities used in connection with public utility service distribution in new residential subdivisions after the effective date of these rules.

C. DEFINITIONS

The following words and terms, when used in these rules, shall have the meaning indicated:

Applicant - the developer, builder or other person, partnership, association, corporation or governmental agency applying for the installation of an underground electric distribution system.

Building - a structure enclosed within exterior walls or fire walls built, erected and framed of component structural parts and designed for less than five (5) family occupancy.

Multiple-Occupancy Building - a structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed to contain five (5) or more individual dwelling units.

Distribution System - electric service facilities consisting of primary and secondary conductors, transformers, and necessary

accessories and appurtenances for the furnishing of electric power at utilization voltage.

Commission - the Public Service Commission of Kentucky.

Subdivision - The tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

D. RIGHTS OF WAY AND EASEMENTS

1. The utility shall construct, own, operate and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the utility's equipment and which the utility has the legal right to occupy, and on the public lands and private property across which rights of way and easements satisfactory to the utility may be obtained without cost or condemnation by the utility.

2. Rights of way and easements suitable to the utility for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The utility may require that the applicant make the area in which the underground distribution facilities are to be located accessible to the Company's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the utility. The utility may require that suitable land rights be granted to it, obligating the applicant and subsequent property owners to provide continuing access to the utility for operation, maintenance or replacement of its facilities, and to prevent any encroachment in the utility's easement or substantial changes in grade or elevation thereof.

E. INSTALLATION OF UNDERGROUND DISTRIBUTION SYSTEM WITHIN NEW SUBDIVISION

1. Where appropriate contractual arrangements have been made,

the utility shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment, will assure that the property owners will receive safe and adequate electric service for the foreseeable future.

2. Facilities required to be underground:

(a) All single phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment and meter cabinets may be placed above ground.

(b) Three (3) phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual three-phase loads may be overhead unless underground is required by governmental authority or chosen by the applicant, in either of which case the differential cost of underground shall be borne by the applicant.

3. If the applicant has complied with the requirements herein and with the utility's specifications on file with the Commission, and has given the utility not less than 120 days' written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the utility shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the utility.) However, nothing in these regulations shall be interpreted to require the utility to extend service to portions of the subdivisions not under active development.

F. SCHEDULE OF CHARGES

1. Within sixty (60) days after the effective date of these rules, each utility shall file with the Commission a statement setting forth the utility's policy with respect to electric underground extensions in residential subdivisions. Such policy shall provide for a payment to be made by the applicant for the purpose of giving effect to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by applicant shall be expressed in terms of an amount per foot of conductor or other appropriate measure.

2. The utility's policy as filed with the Commission shall set forth an "Estimated Average Cost Differential", if any, between the average or representative cost of underground distribution systems in residential subdivisions and of equivalent overhead distribution systems within the utility's service areas. The payment to be made by the applicant as provided for in Paragraph 1 above shall not be more than such Estimated Average Cost Differential and shall be non-refundable.

3. Detailed supporting data used to determine the Estimated Average Cost Differential shall be concurrently filed by the utility with the Commission and shall be updated annually.

4. The applicant may be required to deposit the entire estimated cost of the extension. If this is done, the amount deposited in excess of the normal charge for underground extensions, as provided in paragraph F1 above, shall be refunded to the applicant over a ten (10) year period as provided in Public Service Commission Rule Elec-1-X-3.

5. Upon agreement by both parties, if the applicant should choose to perform all necessary trenching and backfilling in accordance with utility specifications, the utility shall credit the

applicant's cost in an amount equal to the utility's cost for trenching and backfilling.

6. Utility extension from the boundary of the subdivision to its existing supply facilities shall normally be made overhead; and any deposit required therefor is subject to refund under PSC Elec-1-X-3. Upon request, such extension may be made underground if the applicant agrees to pay the excess cost for the underground extension, which excess cost shall be nonrefundable.

7. (a) Point of service shall be that point where the facilities of the utility join the customer's facilities, irrespective of the location of the meter and such point of service will normally be either at the property line or at the corner of the building nearest the point at which the underground system enters the property to be served, depending upon whether the utility or the customer owns the underground service lateral.
- (b) If established utility practice dictates service termination at the customer's property line, the utility shall credit the applicant \$50.00 or the equivalent cost of an overhead service line to the Applicant's meter base, whichever is greater.
- (c) Where established utility practice does not dictate service termination at the customer property line, the utility shall include in its underground plan the furnishing, installation, ownership, and maintenance of the service lateral to the meter base providing the Applicant installs in the building adequate electric service entrance capacity to the satisfaction of the utility to

assure that the underground service conductors will be adequate to handle present and future load requirements of the building; and in this instance the utility will determine the size and type of the service lateral conductors and appurtenances to be used in any installation.

(d) If, by mutual agreement of the parties, service terminates at some other point on the building or property, the applicant shall pay the full cost of any additional extension required in excess of that provided for in paragraph 7(a), 7(b) and 7(c).

8. When an existing utility-owned supply circuit or service lateral required replacement or reinforcement due to added loads, etc., the utility at its expense will replace or reinforce it.

9. Nothing herein contained shall be construed to prevent any utility from assuming all or any part of the cost differential of providing underground distribution systems within subdivisions, provided the utility demonstrates to the satisfaction of the Commission that such practice will not result in increased rates to the general body of rate payers.

10. The utility shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the applicant.

G. COOPERATION BY APPLICANT

The charges specified in these rules are based on the premise that each applicant will cooperate with the utility in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.

H. CONSTRUCTION

All electrical facilities shall be installed and constructed

to comply with applicable codes and the rules and regulations of the Public Service Commission.

I. EXCEPTIONS

In unusual circumstances, when the application of these rules appears impracticable or unjust to either party, or discriminatory to other customers, the utility or applicant shall refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.