



## Ohio Administrative Code

### Rule 4901:1-9-07 Rules, regulations, and practices for the construction of electric line extensions.

Effective: June 19, 2023

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#### (A) Applicability

This rule is applicable to all electric utilities to facilitate the policy of the state as set forth in section 4928.02 of the Revised Code by requiring all of the state's electric utilities to apply the same policies and charges on a nondiscriminatory and comparable basis in fulfilling the obligation to construct line extensions when necessary to provide adequate distribution service to new or expanded customer loads, both residential and nonresidential.

#### (B) Tariff criteria

(1) Each electric utility shall have on file with the commission an approved tariff schedule for the provision of line extensions consistent with the requirements of this rule.

(2) In the event that provisions are required to implement circumstances not addressed in this rule, the electric utility shall address those circumstances in its application, but will make its best efforts to maintain consistency with the rules herein.

(3) Upon the filing of an application to establish or modify line extension tariffs, the commission may fix a time and place for hearing if the application appears to be unjust or unreasonable. The burden of proof to show that the proposals in the application are just and reasonable is placed upon the electric utility.

#### (C) Cost estimates

(1) Within ten business days of a request, the electric utility shall provide a nonbinding good faith cost estimate for the line extension project or contact the customer and advise that it requires further relevant information. Under the circumstances where the electric utility requires further relevant information, the electric utility shall contact the customer and shall provide a nonbinding good faith



cost estimate no more than ten calendar days from the receipt of the required information.

(2) Within forty-five calendar days of a request, the electric utility shall provide a binding firm cost estimate for the line extension project. Under the circumstance where the electric utility requires further relevant information, the electric utility shall contact the customer and shall provide a binding firm cost estimate no more than forty-five calendar days from the receipt of the required information.

(3) All firm cost estimates are valid for ninety calendar days and are subject to change based upon obtaining necessary rights of way and to conditions beyond the reasonable control of the electric utility.

(4) The electric utility may allow third-party installation of line extension facilities subject to utility specifications and inspection. If a customer completes any of the work, a detailed cost estimate will be developed by the electric utility for the purpose of calculating the amount to be paid by the customer, as well as the amount that is the responsibility of the electric utility.

(5) Costs attributed to land clearance activity, trenching, and backfilling required for the installation of line extension facilities on the customer's property are the responsibility of the customer.

(D) Line extension charges

(1) For line extensions to residential single family homes, both individual homes and homes in a development, unless noted otherwise, the following applies:

(a) The electric utility shall be responsible for all costs, excluding the incremental costs of premium services (the sum of the electric utility's cost to provide the premium installation minus the electric utility's cost of a standard, single-phase installation), up to five thousand dollars.

(b) The customer is responsible for the incremental costs of premium services prior to the start of construction.

(c) The customer should make arrangements with the electric utility for the payment of the non-premium line extension costs that exceed five thousand dollars. The electric utility shall afford the



nondeveloper, individual homeowner the option of paying those costs, plus carrying costs, on a prorated monthly basis for up to fifty months, so long as the homeowner does not have a delinquent bill with the electric utility, as determined in accordance with rule 4901:1-18-04 of the Administrative Code.

(2) For line extensions to residential, non-master-metered, multifamily installations (two or more units) the following applies:

(a) The electric utility shall be responsible for all costs, excluding the incremental costs of premium services (the sum of the electric utility's cost to provide the premium installation minus the electric utility's cost of a standard, single-phase installation), up to twenty-five hundred dollars per unit.

(b) The customer will be responsible for the incremental costs of premium services prior to the start of construction.

(c) The customer should make arrangements with the electric utility for the payment of the non-premium line extension costs that exceed twenty-five hundred dollars per unit.

(3) For line extensions to nonresidential customers the following applies:

(a) The electric utility shall be responsible for sixty per cent of the total cost of the line extension, excluding the incremental costs of premium services (the sum of the electric utility's cost to provide the premium installation minus the electric utility's cost to install, in accordance with good utility practice, a standard line extension to the project), with the customer responsible for the remainder.

(b) If a substation is required as part of the line extension project to a customer, the customer shall be given the option of building (pursuant to all applicable electrical standards), owning, and maintaining such substation.

(E) Electric utility cost recovery for line extensions

(1) The payment for premium services and for the cost of residential construction in excess of the limits of five thousand dollars for single-family residences and twenty-five hundred dollars per unit



for multifamily residences shall be considered as contribution in aid of construction (CIAC) and will be grossed-up by the effect of applicable taxes. The total CIAC payment (including the tax gross-up) will be accounted for according to applicable accounting standards.

(2) All other costs associated with line extensions, including, but not limited to, the costs of necessary technical studies, operation and maintenance costs, and capital costs are eligible for recovery in the next distribution rate proceeding, in accordance with traditional ratemaking standards.

(3) Line extension costs and the recovery of such costs will not be included in the recovery of any costs associated with infrastructure and modernization of the electric utility's distribution system for which the electric utility may seek recovery under division (B)(2)(h) of section 4928.143 of the Revised Code.

(F) Future customers

(1) Any customer who paid to the electric utility a CIAC, other than for premium services, may be entitled to a refund of a portion of the CIAC paid in accordance with the following:

(a) If any new customer, within fifty months of the completion of a line extension project for which a party has paid to the electric utility a CIAC, utilizes all or part of the facilities for which the CIAC has been paid, the party who paid the CIAC may be entitled to a refund which represents a pro rata portion of the original CIAC calculated to equitably share the CIAC responsibility for those facilities used in service by both the new and original customer.

(b) If any new additional customer, within fifty months of the completion of the line extension project for which a party has paid to the electric utility a CIAC, utilizes all or part of the facilities for which a CIAC has been paid, the party who paid the CIAC may also be entitled to a refund.

(2) Such refunds will be reflected as a reduction to CIAC for ratemaking purposes.