
POLICY FOR THE EXTENSION OF UNDERGROUND ELECTRIC DISTRIBUTION FACILITIES

GENERAL

Economic, physical and technical considerations dictate the use of overhead electric distribution facilities as the standard distribution construction methodology for electric service in the Company's Operating Area. There are some circumstances, however, where a customer may request the Company to install portions of its distribution facilities underground.

It is the purpose of this policy to outline for property owners and prospective customers the basis on which the Company will provide underground distribution facilities. In all instances for which no specific provision is contained herein, Customer (individual, partnership, association, corporation, governmental agency or other entity), prior to construction, will pay Company an amount equal to the difference between the estimated installed cost of underground electric distribution facilities and the estimated installed cost of overhead distribution facilities. The Company may, at its option, offer an alternative to the Customer for the installation of certain portions of the underground distribution facilities or to provide some or all of the labor or tasks associated with the installation of the underground system, to the Company's specifications. The amount the Customer pays the Company will be reduced by the labor provided. The underground distribution system so installed will be owned and maintained, under an agreement with the Customer, by the Company. Said amounts shall be increased to include any income taxes assessed Company by any governmental agency when requirements of law or rules of such governmental agencies require that contributions-in-aid, refundable advances and/or payment of the costs of installing and removing the facilities less net salvage (up and down costs) be considered as revenue to the Company and therefore the basis of additional income taxes. Said amount shall also include the applicable proportionate part of any directly allocable tax, impost or assessment imposed or levied by any governmental authority, which is assessed or levied against the Company or directly affects the Company's cost of operation and which the Company is legally obligated to pay on the basis of meters, customers, or rates of, or revenue from electric power and energy or service sold, or on the volume of the energy generated, transported, purchased for sale, or sold, or on any other basis where direct allocation is possible.

Estimates of the installed cost of the underground and overhead facilities for the purpose of determining the amount due Company will be in accordance with the Company's current construction design and operating practices and shall be based upon the equivalent conductor and/or transformer capacity as determined by the Company.

The service supplied under this policy will be controlled by the applicable law, rules, regulations, rates and policies, including, but not limited to, the Company's Service Policy and Character of Service Available on file with and approved by the Mississippi Public Service Commission.

TEMPORARY SERVICE

Temporary service will not normally be available in an area to be served from underground distribution facilities until those facilities are in place unless the Customer elects to pay the costs of installing and removing (less salvage) of the overhead facilities necessary to provide the requested temporary service from overhead distribution lines. After the underground facilities are in place, temporary service may be provided at a transformer or pedestal location.

RELOCATION OR REMOVAL OF EXISTING FACILITIES

If the Company is required to relocate or remove existing facilities in the implementation of this Policy, all costs associated with such relocation or removal shall be paid by the Customer. In the event the overhead facilities are being placed underground, all costs thereof shall also be paid by the Customer.

RESIDENTIAL:

UNDERGROUND DISTRIBUTION FACILITIES FOR RESIDENTIAL SUBDIVISIONS – NORMAL SIZED LOTS

Availability - Underground electric distribution facilities may be installed under contract with the Customer in recognized residential subdivisions consisting of a single parcel of land of 16 or more lots, not exceeding an average of one (1) acre per lot or an average front footage of 200 feet per lot, provided the physical layout of the subdivision, the terrain and/or soil conditions are not in Company's judgment such as to make the installation of underground electric distribution facilities unfeasible, impracticable or hazardous.

Easements and Rights of Way - Prior to the sale of lots all easements and rights of way in, under and across said subdivision as in Company's judgment is required by the Company will be granted by the Customer. Customer will, at no cost to Company, properly record said easements and rights of way, and will cause all purchasers of lots to be cognizant thereof by reference thereto in written agreements between the parties.

Installation of Distribution Facilities - Company will install the contemplated underground distribution facilities along the easements provided by Customer after all rough site grading has been completed and ground is at final grade prior to the construction of any foundations, curbs, gutters, or paving, etc. Company will be permitted sufficient time for its construction after grading and before any soil conditioning, or paving or curbs are put in place.

The distribution system to be installed by Company shall be adequate for the supply of 120/240 volt single-phase service to a terminal or junction box at a point on the property line of each lot, as determined by Company.

Company will provide trenches for the installation of the underground distribution facilities contemplated hereunder, and will provide all pads or enclosures necessary for the transformer installations. Company will also provide backfilling and tamping. After said backfilling and tamping has been properly accomplished, any settling or erosion after a period of 60 days shall be the responsibility of the Customer.

Company will furnish and provide completely installed ducts or conduit under all areas to be paved, such as streets, alleys, driveways, sidewalks, etc.; however, in the event that any such areas are paved prior to the installation by Company of said ducts, the responsibility for providing said ducts or conduit, satisfactorily installed to Company specifications, shall rest on the Customer. This shall specifically include the cutting of any paved areas where necessary, and the repaving thereof, all of which will be performed by the Customer.

Contribution by Customer - Prior to development, the Customer will pay Company an amount equal to the average estimated cost of an underground distribution system in excess of the estimated cost of an equivalent overhead distribution system as determined by the Company. In the event boring or punching is required or desired for driveway or street crossings, there will be an additional contribution by Customer to cover the extra cost. Customer and Company will enter into an agreement which, in addition to the foregoing provisions, will detail specific responsibilities of the parties thereto. Any further grading or filling after installation of Company's facilities in accordance herewith, shall entitle Company to be reimbursed by Customer for the actual additional cost incurred on account thereof.

Special Facilities - If any portion of the underground distribution system is required to be three-phase, or if Company incurs additional cost as a result of changes made in the initial subdivision layout as agreed upon between Company and Customer, such additional costs shall be borne by the Customer. For the purposes of implementing this policy, one lot shall be defined as a lot located in the subdivision as it is platted and recorded. If two or more lots are merged into one premises by a single owner there will be no accompanying reduction in the contribution of Customer based on the number of lots.

Area Lighting - Company may install, own, operate and maintain an area lighting system, under the appropriate rate schedule, as requested by Customer.

Installation of Service Lines – Company may provide the trench or conduit and will own and install a suitable service line from the terminal or junction box located on the periphery of the lot to the Customer's meter.

Contribution by Customer - Customer will provide a conduit from the meter location to a point outside of the foundation footing of the residence in accordance with Company's specifications. Customer will furnish ducts or conduits, satisfactorily installed to Company's specifications, under all areas paved or to be paved, such as driveways, sidewalks, patios, etc.

UNDERGROUND DISTRIBUTION FACILITIES FOR RESIDENTIAL SUBDIVISIONS – LARGE LOTS

Availability - Underground electric distribution facilities may be installed under contract with the Customer in recognized residential subdivisions consisting of a single parcel of land of 16 or more lots where lots are in excess of an average of one (1) acre and/or average front footage of 200 feet, provided the physical layout of the subdivision, the terrain and/or soil conditions are not in Company's judgment such as to make the installation of underground electric distribution facilities unfeasible, impracticable or hazardous.

Easements and Rights of Way - Prior to the sale of lots, all easements and rights of way in, under and across said subdivision as in Company's judgment is required by the Company will be granted by the Customer. Customer will, at no cost to Company, properly record said easements and rights of way, and will cause all purchasers of lots to be cognizant thereof by reference thereto in written agreements between the parties.

Installation of Distribution Facilities - Company will install the contemplated underground distribution facilities along the easements provided by Customer after all rough site grading has been completed and ground is at final grade prior to the construction of any foundations, curbs, gutters, or paving, etc. Company will be permitted sufficient time for its construction after grading and before any soil conditioning, or paving or curbs are put in place.

Company will provide trenches for the installation of the underground distribution facilities contemplated hereunder. Company will also provide backfilling and tamping. After said backfilling and tamping has been properly accomplished, any settling or erosion after a period of 60 days shall be the responsibility of the Customer.

Company will furnish and provide completely installed ducts or conduit under all areas to be paved, such as streets, alleys, driveways, sidewalks, etc.; however, in the event that any such areas are paved prior to the installation by Company of said ducts, the responsibility for providing said ducts or conduit, satisfactorily installed to Company specifications, shall rest on the Customer. This shall specifically include the cutting of any paved areas where necessary, and the repaving thereof, all of which will be performed by the Customer.

Contribution by Customer - Prior to development, the Customer will pay Company an amount equal to the estimated cost of the proposed underground distribution system in excess of the estimated cost of an equivalent overhead distribution system as determined by the Company. In the event boring or punching is required or desired for driveway or street crossings, there will be an additional contribution by Customer to cover the extra cost. Customer and Company will enter into an agreement which, in addition to the foregoing provisions, will detail specific responsibilities of the parties thereto. Any further grading or filling after installation of Company's facilities in accordance herewith shall entitle Company to be reimbursed by Customer for the actual additional cost incurred on account thereof.

Special Facilities - If any portion of the underground distribution system is required to be three-phase, or if Company incurs additional cost as a result of changes made in the initial subdivision layout as agreed upon between Company and Customer, such additional costs shall be borne by the Customer.

RESIDENTIAL UNDERGROUND SERVICE FROM EXISTING DISTRIBUTION – NEW INSTALLATIONS

Availability - Underground service lines to newly constructed residences may be installed in predominantly residential areas served by the Company from an existing distribution system, unless in Company's judgment, the installation of facilities underground would be hazardous or in any other way not feasible or practicable due to the terrain, soil conditions, or other adverse factors.

Installation of Service Lines From Existing Overhead Facilities - Company may provide the trench or conduit and will own and install a suitable service line adequate for the supply of 120/240 volt single-phase service. Said service line will run from the Customer's meter base to the nearest pole from which said service can most economically be made available, and shall continue up said pole to the point of connection with Company's distribution facilities. The Company will own, install and maintain the conduit down the pole.

Contribution by Customer - Customer will pay to Company an amount equal to the average estimated cost of a service line installed by Company as provided above, including the run down the pole, in excess of the estimated cost of an equivalent overhead service line as determined by the Company.

Customer will furnish ducts or conduit, satisfactorily installed to Company specifications, under all areas paved or to be paved, such as streets, driveways, sidewalks, patios, etc.

Customer will provide a conduit from the meter location to a point outside of the foundation footing of the residence in accordance with Company's specifications.

Installation of Primary Laterals and Service Lines From Existing Underground Facilities - Company may provide the trench or conduit and will own and install a suitable primary lateral from the terminal or junction cabinet on the periphery of the lot to the transformer location as determined by Company; own and install a padmounted transformer together with the required pad or enclosure; may provide the trench or conduit and will own and install a suitable service line adequate for the supply of 120/240 volt single-phase service from the transformer location to the Customer's meter.

Contribution by Customer - The Customer will pay to Company an amount equal to the difference in cost between the proposed underground primary lateral and service line versus an equivalent overhead primary lateral and service line installed by Company as provided above. Customer will provide a conduit from the meter location to a point outside of the foundation footing of the residence in accordance with Company's specifications.

UNDERGROUND SERVICES REPLACING EXISTING RESIDENTIAL OVERHEAD SERVICES

Availability - Underground service lines may be installed from Company's overhead distribution system to existing residences with overhead services unless, in Company's judgment, the installation of facilities underground would be hazardous or in any other way not feasible or practicable due to the terrain, soil conditions, or other adverse factors.

Installation of Facilities - Company may provide the trench or conduit and will own and install a suitable service line adequate for the supply of 120/240 volt single-phase service. Said service line will run from the Customer's meter base to the nearest pole from which said service can most economically be made available, and shall continue up said pole to the point of connection with Company's distribution facilities. The Company will own, install and maintain the conduit down the pole.

Contribution by Customer - Customer will pay to Company an amount equal to the average estimated cost of a service line installed by Company as provided above, including the run down the pole, in excess of the estimated cost of an equivalent overhead service line as determined by the Company. If the existing overhead service line to be removed and replaced is adequate to serve the electrical requirements of the Customer, Customer shall pay Company for the value of the facilities so destroyed by virtue of removal. If, however, said existing overhead service line to be removed and replaced is inadequate to serve the changed electrical requirements of the Customer, and Company would have been obligated to replace said overhead service line with a similar but heavier overhead service line, the aforesaid charge for value of the facilities so destroyed by virtue of removal will not be levied against the Customer.

Customer will furnish ducts or conduit, satisfactorily installed to Company's specifications, under all areas paved or to be paved, such as streets, driveways, sidewalks, patios, etc.

Customer will provide a conduit from the meter location to a point outside of the foundation footing of the residence in accordance with Company's specifications.

UNDERGROUND SERVICE TO GARDEN-TYPE APARTMENT BUILDINGS

Company will provide underground electric distribution facilities to garden-type apartment buildings of 16 units or more on an individually metered basis, predicated upon the granting of suitable easements on Customer's property for the installation of Company's property. Service will be provided to a meter center located on the exterior of the apartment building at a location designated by the Company. Customer shall pay to the Company an amount equal to the estimated cost of an underground distribution system in excess of the estimated cost of an equivalent overhead distribution system as determined by the Company.

Area Lighting - Company may install, own, operate and maintain an area lighting system, under the appropriate rate schedule, as requested by Customer.

UNDERGROUND SERVICE TO HIGH DENSITY RESIDENTIAL OR MULTI USE BUILDINGS

The Company will provide 120/208 volt 4 wire, 3-phase (125/216 volts in the wye connected, secondary network of the Jackson Underground Service Area) underground electric distribution facilities to high density residential or multi use buildings of 16 units or more on an individually metered basis, predicated upon the granting of suitable easements on Customer's property for the installation of Company's property. Service will be provided to a meter center located on the exterior of the building at a location designated by the Company. Service will be provided and Customer shall pay to the Company according to the Company's Policy for Non-Residential Underground Service from Overhead Distribution or the Policy for the Jackson Underground Service Area as appropriate.

As an option the Company may offer service to an interior meter room due to the large number of services and external space limitations of the high density residential or multi use building.

The meter room(s) will have the following requirements:

The Company is in agreement with the proposed interior meter room.

The Customer shall obtain permission for the meter room from the authority having jurisdiction in writing.

The Customer shall furnish, install, own and maintain the service(s), the meter center(s) and any other service entrance equipment. The Customer shall warrant that the installed facilities meet or exceed the minimum requirements of applicable building and fire codes. The Company shall furnish, install, own and maintain the meters. Any service equipment before the meters shall have provisions for Company inspection and tamper sealing without hindering the operation of the equipment.

The meter room shall be accessible to the Company at any and all times. External entry is preferred and should be by a lock and key system. Internal entry shall not be dependent on contacting the building manager or maintenance staff to access the meter room.

Lighting in the meter room shall be maintained at levels such that the Company's employees may work safely without the use of supplemental lighting.

The meter room shall have adequate working space and be kept free of debris in order for the metering equipment and the service entrance equipment to be operated safely. The meter room shall not be used for any other purpose other than an electrical equipment room. Use of the meter room for storage will be prohibited.

The point of delivery shall be defined as the secondary terminal of the Company's transformer.

The Company may require, at its option, the use of the Customer's telephone line to access the meters for programming and reading.

Area Lighting - Company may install, own, operate and maintain an area lighting system, under the appropriate rate schedule, as requested by Customer.

NON-RESIDENTIAL:

NON-RESIDENTIAL UNDERGROUND SERVICE LINES FROM OVERHEAD DISTRIBUTION

Availability - Underground service connections to Company's overhead distribution facilities may be installed to serve non-residential customers other than those in the central business district of Jackson as defined elsewhere, unless, in the Company's judgment the installation of underground facilities would be impracticable, hazardous, or not feasible.

Installation of Facilities for Secondary Voltages – Installation of Facilities for Secondary Voltages - The Customer will install, own, operate, and maintain the service line including the required conduit up the Company's pole.

Installation of Facilities for Primary Voltages - The Customer will install the required primary duct or conduit in accordance with the Company's plans and specifications, and the necessary transformer pad or vault; install, own, operate, and maintain the service line; and, will pay to the Company an amount equal to the difference between the estimated installed cost of the Company's underground electric distribution facilities and the estimated installed cost of overhead distribution facilities. The Company will provide and install the primary cable including terminations and the padmounted transformer; and, will make the connections of the Customer's service line to the terminals of the Company's transformer.

JACKSON UNDERGROUND SERVICE AREA

The Central Business District of Jackson is served by means of an underground distribution system. Any new electric service requested in the area will be rendered from this system. The area served by said system is designated by a map on file in Company's office in Jackson, Mississippi.

The underground service area is supplied from Company's 125/216 volt, wye connected, secondary network and for practical purposes service must be limited to this voltage. Customers with unusual service requirements where other voltage is indicated should consult with Company before planning their installation.

In said underground service area Company will provide at its expense conduit or conduits as required to the Customer's property line. Customer will provide at his expense the necessary conduit or conduits from the property line to the point of metering.

Conduit runs shall be a minimum diameter of 4" and when installed by Customer shall be at suitable location and elevation to join Company's conduit or duct runs from its distribution system.

Secondary cable runs from Company's distribution point to the point of metering on Customer's premises are required by code to be continuous. Company will furnish at its expense conductors and will install secondary cable up to ten feet inside the property line. For service runs of more than ten feet inside Customer's property line, Company will furnish and install the service lines but the Customer will pay the installed cost of that portion of the conductor in excess of ten feet inside the property line.

Where three or more secondary cable runs are installed to serve a customer, current limiters (fuse devices) shall be used on both ends of each conductor installed. The Customer shall provide suitable space at the termination of the cable run for the required limiters.

In all cases Customer shall seal the conduit at the building wall after the conductors have been pulled in.

The Customer shall provide and install the necessary metal current transformer box or cabinet for Company's instrument transformers.

Where the size and/or character of Customer's load require a transformer installation on Customer's premises, it will be Customer's obligation to provide at his expense a vault constructed to specifications of Company. Customer will also provide at his expense the required conduit runs from the vault to the property line for the Company's primary and secondary cables. Company will at its expense provide and install the transformer, as well as all conductors in the vault and between the vault and its distribution system. Company will also provide at its expense the service cable through the vault wall for Customer's delivery. Customer will furnish and install a current transformer box or cabinet at this point.

All installations shall conform to appropriate provisions of the National Electrical Safety Code and controlling local ordinances.

Should Customer desire relocation of service the entire cost will be borne by him unless his electrical load warrants an increase in service capacity, in which case the cost in excess of the cost to increase capacity at the former location will be borne by Customer.

CONVERSION TO UNDERGROUND

The Company may replace an existing overhead distribution system with an underground system in existing residential or developed non-residential areas at the request of a Customer as indicated below.

The area to be converted must be an area the Company considers feasible according to the Company's current engineering practices and procedures and must consist of both sides of the street of at least one block.

The Customer will make a non-refundable deposit equal to the estimated cost of an engineering study to determine the cost of converting such an area to underground. Should an agreement be reached between the parties within one year of the completion of the study, the amount of the deposit will be credited against the contribution required for the conversion.

A Customer may request a non-binding cost estimate, at no cost, to determine the cost of converting such an area to underground. This estimate shall be an order of magnitude estimate only and will not be binding on either the Company or the Customer.

It would be the responsibility of the Customer requesting the conversion to obtain the agreement in writing of all parties, affected by the conversion, to accept underground service of the type and voltage and at the location available from the underground system as determined by the Company. As part of this agreement all parties agree that the area being converted will become an underground area and only underground service will be available in the future.

It would be the responsibility of the Customer requesting the conversion to obtain an agreement in writing for the relocation of any municipal and/or other utility services from overhead to underground and to coordinate that relocation.

The Customer will be responsible for any work related to the municipal infrastructure including the breaking of pavement, trenching, backfilling and repaving that is required in connection with the installation of the underground system.

All necessary right-of-way will be provided, by the Customer, at no cost to the Company and will be cleared and at final grade prior to the installation of the underground facilities.

Area or Street Lighting - Company may install, own, operate and maintain an area or street lighting system, under the appropriate rate schedule, as requested by Customer.

The Customer shall pay all costs associated with the conversion, including, but not limited to, the total cost of the new underground facilities as well as removal, relocation or rearrangement of the existing facilities as determined necessary by the Company to comply with the Customer's request.