**Section 410.410 Extension Provisions**

a) If an extension of a entity's distribution system is necessary in order to serve an applicant or group of applicants, the entity providing distribution services, upon written request for service by the applicants, shall make the necessary line extension. The line extension shall be made along a street, highway or other right-of-way to the nearest point adjacent to the point of delivery for the applicants. The applicant or group of applicants must agree to the provisions of this Section before the line extension is made.

1) The entity providing distribution services may file a line extension provision in conjunction with its rate schedule. If the entity providing distribution services files a line extension provision, that provision shall be worded so that the applicant will have a choice of obtaining the extension under the provision or obtaining the extension under subsections (b) and (c). If the line extension provision is permitted to become effective by the Commission, then the applicant may proceed under the line extension provision or under subsections (b) and (c).

2) Alternatively, the filed line extension provision may be in lieu of subsections (b) and (c) instead of an option; however, if the entity providing distribution services files a line extension provision in lieu of subsections (b) and (c), the line extension provision shall not become effective unless the entity providing distribution services demonstrates that the line extension provision is generally more favorable to applicants than the provisions of subsections (b) and (c). After specific action by the Commission by order, the line extension provision shall become effective.

b) Free extensions

1) If an extension of the entity's distribution system is necessary in order to serve an applicant or a group of applicants, the entity shall extend its line without charge for each applicant along the street, highway or other available right of way to the nearest point adjacent to the premises of the applicants, upon written request for service. If the entity believes the cost of providing the extension is excessive, the entity may file a request with the Commission for a modification of this requirement for a specific extension. The line extension furnished without charge shall be the cost equivalent of up to 250 feet of single-phase overhead line per customer and shall include any necessary delivery voltage transformer and its associated protective devices for each customer. No free extension shall be made from existing lines on which refunds are due from previous deposits. If a refund is due from a previous deposit, any further extension shall be made only upon the applicant making a deposit equal to the full estimated cost of the required additional extension.

2) If all or part of a line extension is made on existing poles and costs less than the cost of constructing the free extension described in subsection (b)(1), the entity shall not charge for the extension.

c) Extension in excess of the free limit

1) If the cost of the line extension is greater than that allowed in subsection (b), the entity shall make the line extension and shall own, maintain, and replace the line extension upon agreement by the applicant or group of applicants to deposit with the entity an amount under the original or any subsequent extension, equal to the estimated cost of the extension above the free limits.

2) The cost of extensions in excess of the free limit, and any resulting deposits, shall be allocated among customers based on their respective share of the length of the line extension. Deposits will be refundable based on changed circumstances or shared use for a period of ten years from the date the line extension is placed in service.

3) In no case shall a refund exceed the original deposit.

4) If the premises of a customer are so located that they could be served by extending a parallel separate line at less cost than the amount of deposit that would be required from them for connection to the existing extension, the customer shall not be required to deposit in excess of the estimated cost of the separate line. The customer shall not share in any refunds so long as the deposit remains less than that of other depositors on the line extension.

5) Combining of rural service. For the purposes of determination of the deposits and refunds, a farm applicant whose premises include a number of buildings such as barns, employees' houses, etc., for which electric service is desired may qualify as a single applicant, provided the farm applicant constructs the necessary facilities required to supply the various buildings from a mutually agreed upon point conveniently located near the entity's lines. This shall not be construed as including electric service to buildings occupied by a tenant who leases land or conducts a business separate from that of the land owner.

6) In the event an option is available for a line extension to a group of applicants, the decision of the majority of the applicants will determine which option is implemented.

7) Determination of deposit. The distance of the electrical equipment installation from the available primary or secondary circuit that is nearest to the route that normally would be used in making the extension that is on available right-of-way shall be considered in determining whether an applicant is entitled to a free extension, and the cost of extending this circuit shall be used as the basis in determining the amount of deposit necessary in case the extension is above the free limit.

d) Commission review. If the extension is of such length and the prospective business that may be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair compensation for its investment, operation, maintenance and replacement, or for other substantial reasons is unwarranted, the fact shall be reported to the Commission for investigation and determination as to the reasonableness of the extension.