



FACILITY MODIFICATIONS

General

04-01-08
ER 6-100-B
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USE: To recover costs of customer requested modifications to company owned facilities.

PREVIOUS REVISION	ORIGINATED	PREVIOUS NUMBER
10-01-03	12-96	

LATEST REVISION: Revise spec. 1 and removed "same type" reference.

REFERENCE: 170 IAC 4-1-27 & 4-1-28
IURC Rules for Electrical Utilities, latest revision.

Appendix A to Rule 22 - "General Rules and Regulations Applicable to Electric Service",
as filed with the IURC by NIPSCO, latest revision

Indiana Code 8-23-26-7, latest revision

SPECIFICATION:

1. EXISTING FACILITIES DEEMED INADEQUATE

If the Company's facilities are deemed inadequate due to increased load, the company will replace them with adequate facilities at no charge, when the ratio of estimated cost to modify, to the estimated additional revenue, is no greater than 2.5 to 1, subject to service length limitations (See ER 19-285). When the estimated cost to modify exceeds the estimated additional 2.5 year revenue, refer to the Company's current New Business Policy.

2. EXISTING FACILITIES DEEMED ADEQUATE

If the Company's facilities are deemed adequate, and a customer requests for his convenience, or by his actions requires, that the Company's service facilities be redesigned, re-engineered, relocated, removed, modified or reinstalled, the customer shall be charged the full cost of performing such service. (See ER 6-100 & ER 19-300)

Examples are as follows, but not limited to:

- 2.1 NIPSCO is requested to relocate facilities for the installation of a new driveway or addition to a building, but the existing facilities are adequate to provide service for the customer's additional load due to expansion.
- 2.2 When the subdivision or commercial establishment is required to cut a new road or deceleration lane which requires NIPSCO to relocate its facilities.
- 2.3 When NIPSCO personnel are required to protect facilities by holding them or having an employee stand by while excavation is done.

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**3. PUBLIC AGENCY PROJECTS**

NIPSCO shall strive to partner with all governmental agencies, on all projects, in order to minimize the dollar impact of construction, and construction delays, for both NIPSCO and the governmental agencies with which NIPSCO are dealing. It is critical that any potential known chargeable situations be negotiated at the start of the partnering process.

There are certain situations when charges for relocation or alteration of facilities or the reimbursement of certain expenses are appropriate, including but not limited to:

- 3.1 When NIPSCO has installed its facilities based upon an initial partnering agreement and then the governmental agency, or its contractors, make changes which require the Company to relocate or alter facilities already installed (See IC 8-23-26-7).
- 3.2 When the governmental agency contractor requests NIPSCO to change, alter or protect our facilities above and beyond what is deemed necessary by the Special Provisions, or when the contractor has an alternative means of performing the contracted work. An example of this is when the contractor has an excavation that can be shored, but it is easier, and less costly for the contractor, to have NIPSCO hold its facilities.
- 3.3 If the local governmental agency, supporting a locally funded highway project, does not partner in advance with NIPSCO or provide reasonable time to respond, NIPSCO reserves the right to charge for additional material and labor expenses incurred, due to lack of partnering and advance notice.

4. PARTICULAR SAFETY CONCERNS

NIPSCO's overriding concern shall be making the work site safe and preventing unnecessary danger to employees and the public. Once NIPSCO becomes aware of a problem, it shall not be ignored. As a means of dealing with such situations, NIPSCO shall use some or all of the following remedies, keeping the agency or customer, who has engaged the contractor, informed of our actions in each case.

- 4.1 Do the work that is necessary for a safe work site and bill the contractor on a claim form through our Risk Management Department. NIPSCO shall communicate its procedure and intentions to the contractor in advance.
- 4.2 If the contractor refuses to wait until the job site can be made safe or our facilities can be protected, contact the agency or customer who has engaged the contractor and make them aware of our concern.
- 4.3 In cases where other efforts have been ignored, contact local police, sheriff or other law enforcement officials.
- 4.4 Contact NIPSCO Safety Department for review, and Safety Department in turn contact with IOSHA if appropriate.

Advance negotiations are the best way to resolve these issues, which are the exception. As part of the advance negotiation process, contractors should be notified that they are obligated to follow all safety standards (OSHA, DOT, etc.) for their industry in performing their work, and that any property damage, personal injury and/or fatality as a result of the contractor's failure to act reasonably and prudently will be the sole responsibility of the contractor.