

PUBLIC UTILITIES CORPORATION (PUC)

ELECTRICAL SERVICE REGULATIONS

Effective:

March 30, 1995

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Filed: 3/30/95

**/s/
Office of the President
Republic of Palau**

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 1
DEFINITIONS

The following definitions shall apply to these regulations.

Applicant: A person requesting the Utility to supply electrical service.

Billing Demand: The load or demand used for computing charges under rate schedules based on the size of the customer's load or demand including the connected load, the measured maximum demand, or a modification of either as provided for by applicable rate schedules.

Billing Period: The time interval between two consecutive meter readings taken for billing purposes.

Class of Service: A class of service is a category specifying the purpose and use of electrical power. Examples are: Residential, General and Street Lighting.

Connected Load: The sum of the rated capacities of all of the customer's equipment connected to the Utility's lines at one time.

Customer: The person in whose name service is rendered as evidenced by the signature on the application, contract, or agreement for that service, or, in the absence of a signed instrument, by the receipt and payment of bills regularly issued in the person's name regardless of the identity of the actual user of the service.

Customer Charge: That portion of the rate charge for service which is a fixed amount without regard to connected load, demand, or energy consumption in accordance with the rate schedules.

Customer's Mailing Address: The address specified in a customer's application or contract, or any other address provided to the Utility to which any notice or other communication is to be mailed.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

Date of Presentation: The date upon which a bill or notice is posted at the premises, mailed, or in the case of personal delivery, the date of such delivery to the customer.

Demand Charge: A charge based on the customer's load demand in accordance with the applicable rate schedule for the customer.

Distribution Lines: Overhead pole lines and/or underground facilities consisting of conduit and cable which are operated at nominal distribution voltages.

Domestic Service: Service for residential use at a dwelling premises which does not include a non-domestic connected load exceeding 300 watts or two horse power for power.

General Manager: General Manager of the PUC, or a designee.

General Service: Service to any lighting or power installation except single-family or multifamily domestic service.

Housing Project: A building or group of buildings located on a single premises and containing residential dwelling units utilizing a master meter at one location.

Lighting Service: Service to any apparatus transforming electric energy into light for general illumination purposes except those specified under "Power Service".

Line Extension: All facilities, including transformer, service connection and meter required to extend electrical service from the Utility's existing permanent facilities to the point of delivery to the customer.

Mailed: Any notice or other communication will be considered "mailed" when it is enclosed in a sealed envelope, properly addressed, and deposited in the Post Office, postage prepaid.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

Maximum Demand: The highest kilowatts registered during a specified time interval when the customer's use is greatest in the billing period as indicated or recorded by the Utility's meter.

Meter: The instrument used for measuring the electricity delivered to the customer.

Minimum Charge: The rate charge that is the least amount for which service will be rendered in accordance with the rate schedules.

Monthly Fuel Charge: The rate charged per kilowatt hour for fuel consumed for one month to supply electricity.

Multifamily Accommodation: An apartment building, duplex, or any other group of residential units located upon a single premises other than hotels and motels consisting primarily of guest rooms and/or transient accommodations.

Nominal Voltage: The approximate voltage between conductors in a circuit or system of a given class subject to normal distribution variation.

Permanent Service: Service which is of a permanent and established character whether continuous, intermittent, or seasonal in nature.

Person: Any individual, partnership, corporation, public agency, or other organization operating as a single entity.

Point of Delivery: The point where conductors of the Utility are connected to the conductors of the customer, regardless of the location of the Utility's meters or transformers.

Polyphase Power Service : Electric power service taken from more than one phase of the electric power system. A form of this service is three-phase power.

Power Service: Service to apparatus or equipment used for purposes

PUBLIC UTILITIES CORPORATION
Regulations - 1995

other than lighting.

Premises: All of the real property and improvements involved in the provision and use of electrical service.

PUC: Public Utilities Corporation.

Pull Box: An enclosure for joining conductors which also provides by its size, arrangement, and location the necessary facilities for pulling the conductors into place. This term includes structures also known as “manholes”, “hand holds”, and “switch board pull sections”.

Rate Charge: The charge specified in the rate schedules.

Rate Schedule: One or more tariff pages setting forth the charges and conditions for a particular class or type of service at a given location. A rate schedule, as referred to herein, shall include all the wording on the applicable tariff page or pages, such as, but not limited to, the following: schedule number, class of service, character or applicability, rates, conditions, and reference to Regulations.

Regulations: Tariff pages which set forth the application of all rates, charges and service when such applicability is not set forth in and as a part of the rate schedules.

Service: The provision or availability of electricity.

Service Charge: That portion of the rate charge for service which is a fixed amount based on a connected load in accordance with the rate schedules.

Service Connection: The group of conductors whether overhead or underground, necessary to connect the service entrance conductors of the customer to the Utility’s supply line, regardless of the location of the Utility’s meters or transformers. An overhead-service connection, sometimes referred to as “service drop”, is the group of conductors

PUBLIC UTILITIES CORPORATION
Regulations - 1995

between the customer's building or other permanent support and the Utility's adjacent pole.

Single-Family Dwelling or Accommodation: A house, an apartment, a flat, or any other residential unit which contains cooking facilities (not necessarily electric) and which is used as a residence by a single family.

Single-Phase Power Service: Electric power service taken from only one phase of the electric power system.

Street Lighting Service: Service to any lighting apparatus used primarily for the illumination of streets, alleys, highways, or other public ways.

Tariff Page: An individual page of the tariff schedules.

Tariff Schedules: The entire body of effective rates, rentals, charges, and regulations collectively of the Utility, as set forth herein, and including title page, preliminary statement, rate schedules, and regulations.

Temporary Service: Service for enterprises or activities which are temporary in character or where it is known in advance that service will be of limited duration. Service includes operations of a speculative character or the permanency of which has not been established.

Tract or Subdivision: An area for family dwellings which may be identified by filed subdivision plans or as an area in which a group of dwellings may be constructed about the same time, either by a large scale builder or by several builders working on a coordinated basis.

Utility: The Public Utilities Corporation.

Utility's Operating Convenience: The utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the over-all efficiency of the Utility's operations; it does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, regulations,

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

or similar requirements of public authorities.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 2
DESCRIPTION OF ELECTRICAL POWER SOURCE

A. GENERAL.

1. Some types of service may not be available at all locations.
2. All service is provided in accordance with the applicable rate schedules.
3. The rate schedules included herein are only applicable for service provided from electric power distribution lines.
4. The PUC provides alternating current at an approximate frequency of 60-cycle at the nominal voltages indicated in the rate schedules.
5. One standard voltage is provided for each class of service.

B. PHASE AND VOLTAGE SPECIFICATIONS.

1. Standard nominal voltages of the Utility are as follows:
 - a. Distribution voltages - 120, 120/240, 240, 240/480, 277/480, 7,967 and 13,800.
 - b. Voltages in excess of 34,000 volts are transmission voltages. For its operating convenience, the PUC may elect to supply a customer from lines of transmission voltage. In such case, the customer may select as a standard delivery voltage one of the following: 7,967 or 13,800 volts or such other voltage as the PUC may approve.
 - c. Where the PUC maintains four-wire, wye-connected, polyphase secondary mains: 120, 120/208, and 208 volts.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

d. Where PUC maintains four-wire, delta-connected, polyphase secondary mains: 120, 120/240 and 240 volts.

2. Equipment specifications.

a. All customer-owned utilization equipment shall meet the design and rating specifications and be in accordance with utilization voltages specified by the American National Standard C84.1.

b. The utility system is designed and maintained to provide service voltage levels at the customer's main switch as specified by the American National Standard C84.1.

c. While average voltages are maintained as described in Regulation 2.B.2.b. above, short term voltage excursions (transients) exceeding these levels can occur. Equipment containing microprocessors or other sensitive electronic components can be damaged or otherwise rendered inoperative by such transients. It is the customer's responsibility to determine the suitability of the supplied power, and to provide any necessary power conditioning equipment. The PUC shall not be liable for any damage caused by normally-occurring, short-term voltage excursions (transients) exceeding average voltages listed in Regulation 2.B.2.b.

3. Single-phase service.

a. The following are the specifications for single-phase service.

<u>General I</u>	<u>Minimum Connected</u>	<u>Maximum Connected</u>
<u>Voltage</u>	<u>Load Required</u>	<u>Load Allowed</u>
120 volts	None	1-15 amp. and 1-20 amp. branch circuit.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

120/240 or 240 volts	None	400 amp. main switch
240/480 volts	15kva	200 amp. main switch
7976+ volts	Varies with location	400 amp. main switch

b. The maximum size 120 volt single-phase motor allowed is 1 hp and the maximum size 240 volt, or higher voltage, single-phase motor allowed is 10 hp.

c. Single-phase service may be supplied to installations having a proposed main service switch in excess of the switch capacities specified above provided the approval of the Utility first has been obtained as to the number and size of switches, circuits and related facilities.

d. Where the PUC maintains four-wire, wye-connected 120/208 volt secondary mains, single-phase service is supplied at 120/208 volts, three wire, for which the maximum allowed is a 100-amp main switch.

4. Three-phase service.

a. The following are the specifications for three-phase service.

VOLTAGE	<u>MINIMUM CONNECTED LOAD REQUIRED</u>	<u>MAXIMUM DEMAND LOAD ALLOWED</u>	<u>MAXIMUM MAIN</u>
240 Volts	3KVA	500 KVA	1200A
120/240 Volts	15 KVA	500 KVA	1200A
120/208 Volts	15 KVA	500 KVA	1400A

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

277/480 Volts	30 KVA	500 KVA	600A
7,976 Volts	Varies with Location	Not Specified	Not Specified
13,800 Volts	Varies with Location	Not Specified	Not Specified

b. Single Family Domestic Service. In areas where PUC does not maintain three-phase secondary mains, only single-phase service will be supplied unless the applicant's load includes at least one motor rated in excess of 10 hp.

c. Service to all loads of 500 KVA maximum demand, or over, must be approved by the PUC as to adequacy of facilities for service.

d. Loads on three-phase service may be supplied to installations having a proposed main service switch in excess of the switch capacities specified above provided approval of the Utility first has been obtained as to the number and size of switches, circuits and related facilities.

5. Combined single-phase service and three-phase service.

a. Service may be supplied at 120/208 volts four-wire, wye-connected where the Utility does not maintain four-wire secondary polyphase mains, provided: (1) written application is made for such service by the customer; (2) the customer's load is of such a size as to require an individual transformer installation of not less than 15 KVA (transformer capacity is based on load diversity as determined by the Utility); and (3) the customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities.

b. Service may be supplied at 277/480 volts four-wire wye-connected where the Utility maintains 120/208 volt or 240 volt secondary polyphase mains, provided: (1) written application

PUBLIC UTILITIES CORPORATION
Regulations - 1995

is made for such service by the customer, (2) the customer's load is of such size as to require an individual transformer installation of not less than 30 KVA of transformer capacity when supplied from the overhead system (transformer capacity shall be based on load diversity as determined by the Utility); and (3) the customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities.

c. Service may be supplied at 120/240 volts four-wire delta-connected where the Utility does not maintain four-wire secondary polyphase mains, provided: (1) the customer's load is of such a size as to require an individual transformer installation of not less than 15 KVA of transformer capacity, as determined by the Utility; (2) the unbalance between phase is less than 100 kw; (3) the customer provides space acceptable to the Utility on the premises to accommodate the installation of the Utility's facilities.

d. The maximum demand allowances for combined single-phase and three-phase are set forth in Regulations 2.B.3. and 2.B.4. above.

e. All three-phase circuits not exceeding 250 volts shall have either a phase or neutral ground and a four-wire polyphase service run to the customer's service entrance main switch.

6. At the option of the PUC, the above voltage and phase specifications may be modified because of service conditions at the location involved.

C. MOTOR PROTECTION AND EQUIPMENT.

Customer's motor equipment must conform with the following requirements.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

1. Motors that cannot be subjected safely to full rated voltage on starting, or that drive machinery of such a nature that the machinery itself, or the product it handles will not permit the motor to resume normal speed upon the restoration of normal supply voltage shall be equipped with devices that will disconnect them from the line upon failure of supply voltage and that will prevent the automatic reconnection of the motors upon restoration of normal supply voltage.
2. All motors of 1 hp or larger shall be equipped with thermal relays, fuses, or other automatic overcurrent interrupting devices to disconnect completely such motors from the line as a protection against damage due to overheating.
3. Three-phase motors driving elevators, hoists, cranes, conveyers or other equipment, which would create hazard to life in the event of uncontrolled reversal of motor rotation, shall be provided with reverse-phase and open-phase protection to disconnect completely the motors from the line in the event of phase reversal or loss of one phase.

D. ALLOWABLE MOTOR STARTING CURRENTS.

1. The starting current drawn from the Utility line shall be considered the nameplate locked rotor current or that guaranteed by the manufacturer. If the starting current for a single motor exceeds the value stated in the following tables, reduced voltage starting or other suitable means must be employed, at the customer's expense, to limit the current to the value specified, except where specific exemptions are provided in these regulations.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

TABLE 1
Alternating Current - Single-Phase Motors

<u>Rated Size</u>	<u>Allowable Locked Rotor Currents</u>	
	<u>120 Volts</u>	<u>240 Volts</u>
1 hp and less	50 amperes	36 amperes
1-1/2 hp		48 amperes
2 hp		60 amperes
3 hp		80 amperes
5 hp		120 amperes
7-112 hp		170 amperes
10 hp		220 amperes

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

TABLE 2

Alternating Current - Three-Phase Motors

Allowable Locked Rotor Currents

<u>Rated Size</u>	<u>240 Volts</u>	<u>480 Volts</u>
3 hp	4 amperes	32 amperes
5 hp	2 amperes	46 amperes
7-1/2 hp	127 amperes	63 amperes
10 hp	162 amperes	81 amperes
15 hp	232 amperes	116 amperes
20 hp	290 amperes	145 amperes
25 hp	365 amperes	183 amperes
30 hp	435 amperes	218 amperes
40 hp	580 amperes	290 amperes
50 hp	725 amperes	363 amperes
60 hp		435 amperes
75 hp		535 amperes
100 hp		725 amperes

Over 100 hp - The Utility should be consulted for allowable locked rotor currents.

2. Where service conditions permit, subject to Utility approval, reduced-voltage starters may be omitted in the original installation until such time as the Utility may order the installation of a reduced-voltage starter to tie made, and, similarly, the Utility may at any time require starting current valued lower than set forth herein where conditions at any point on its system require such reduction to avoid interference with service.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

E. PROTECTIVE DEVICE COORDINATION.

Customer's protective relays, fuses, circuit breakers and other protective devices must comply with the following requirements.

1. All customer protective device operating times and circuit breaker trip element upper-bound trip times shall be a minimum of 0.25 seconds (15 cycles) less than the trip time of the Utility feeder protective relay settings for all current valued between the customer service entrance rating and the maximum available fault current.
2. All customer fuse maximum fault clearing times shall be a minimum of 0.30 seconds (18 cycles) less than the trip time of the Utility feeder protective relay settings for all current values between the customer service entrance rating and the maximum available fault current.
3. Three-phase service customers shall submit protective device characteristics and/or relay calibration data to the Utility for approval prior to establishment of service.

F. INTERFERENCE WITH SERVICE.

1. The customer shall be liable for all expenses incurred by the PUC in correcting detrimental voltage fluctuations caused by customer equipment such as, but not limited to, hoists, welders, radio transmitters, elevator motors, and compressors. The customer shall comply with all reasonable requests of the PUC regarding the use and operation of such equipment.
2. Any customer who superimposes a current of any frequency upon any part of his electrical system, other than the current supplied by the Utility, shall, at his own expense, prevent the transmission of such current beyond his electrical system.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

G. POWER FACTOR.

The Utility may require the customer to provide, at his own expense, equipment to increase the operating power factor of his service.

H. WAVE FORM.

The Utility may require that the wave form of current drawn by equipment of any kind be in conformity with good engineering practices.

I. ADDED FACILITIES.

Added facilities are facilities provided by the Utility which are in addition to, or in substitution for, the standard facilities which the Utility normally would install. Except where otherwise provided by rate schedule, when a customer makes written request for added facilities and the installation of such facilities is acceptable to the Utility, the added facilities will be installed under one of the following applicable conditions.

1. Prior to the Utility installing said added facilities, the customer shall pay the Utility the full estimated cost to the PUC for installing such facilities.
2. The customer shall pay a monthly charge for added facilities in an amount which shall be based upon all costs to the PUC other than the cost of installation and governed by the agreement entered into prior to installation and rendering service.

In the event that the added facilities are abandoned less than five years from the date service is first rendered from the added facilities, the customer shall pay to the Utility the full cost to the PUC of the added facilities (less installation costs and monthly charges paid under Regulations 2.1.1. and 2.1.2.) plus the cost of removal, less salvage value, if any.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 3
APPLICATION FOR SERVICE

A. APPLICATION FOR SERVICE.

Each applicant for utility service shall submit a completed and signed application form provided by the Utility. The applicant shall be required to furnish the following information.

1. Name of applicant.
2. Date and place of application
3. Location of premises to be served.
4. Date applicant will be ready for service.
5. Whether the premises have been heretofore supplied.
6. Purpose for which service is to be used.
7. Customer's mailing address.
8. Whether applicant is owner or tenant of, or agent for, the premises.
9. If applicant is not sole owner, the name and address of owner(s).
10. Easement(s) necessary for the provision of service provided by the owner, in writing.
11. Rate schedule desired if optional rate is available.
12. Information to establish credit of applicant.
13. Such other information as the Utility may reasonably require.

The above information shall be supplied by the applicant in writing.

The application is a request for a service and does not in itself bind the Utility to provide service nor does it bind the customer to take service for a longer period than the minimum requirements of the rate schedule.

B. JOINT AND SEVERAL LIABILITY FOR JOINT SERVICE.

Two or more persons who join in one application or contract for service shall be jointly and severally liable thereunder and shall be billed by

PUBLIC UTILITIES CORPORATION
Regulations - 1995

means of a single periodic bill mailed or delivered to the person designated on the application to receive the bill.

C. CHANGE IN CUSTOMER'S EQUIPMENT OR OPERATIONS.

Customers shall give the Utility written notice of the extent and nature of any material change in the size, character, or extent of the utilizing equipment or operations for which the Utility is supplying service before making any such change.

D. SERVICE ESTABLISHMENT CHARGE.

1. The service establishment charge shall be applied to any service(s) established at an individual premises.
2. The service establishment charge is in addition to the charges specified in the applicable schedule and shall be applied each time an account is established. As used herein, "established" means each time an account is opened, service is turned on, or an account name is changed requiring a meter reading.
3. An additional charge in the amount of the actual cost to the PUC shall be applied for establishing utility service on a date specified by a customer when compliance with such request conflicts with the scheduling needs of the PUC.
4. The service establishment charge shall not be applied to customers of the Utility whose service is rendered through submeters to tenants.
5. Regulation 19 contains the above-referenced charges.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 4
CONTRACTS

A. WHEN SERVICE CONTRACTS ARE REQUIRED.

Service contracts are required as a condition precedent to the provision of electric power service.

B. WHEN FACILITIES CONTRACTS ARE REQUIRED.

A contract to pay for the use, installation, and removal of, facilities is required in the following situations:

1. when the provisions of the tariff schedules so specify, in which case the terms of the contract shall be governed thereby.
2. when any applicant or customer desires new or increased distribution facilities for temporary service. The Utility shall require such person to pay to the Utility, in advance, the estimated installation cost, plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service in accordance with provisions of Regulation 13.
3. when a person, whether or not a customer, desires to have the Utility modify, rearrange, relocate, or remove any of its facilities. The Utility if it agrees to make such changes may require the person, at whose request the changes are made, to agree to pay, in advance or otherwise, the cost to the Utility of making the changes.

C. CONTRACTS WITH GOVERNMENTAL AGENCIES.

All utility services for governmental agencies, including street lighting, shall be provided by written contract.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 5
INFORMATION REQUIRED ON FORMS

A. CONTRACTS.

Each contract for electric service shall contain the following provision:

“Rates. Customer shall pay PUC for electrical power delivered under this contract in accordance with the Rate Schedule currently in effect and which is hereby incorporated herein by reference. In the event that the Rate Schedule is amended, electrical power supplied after the effective date of the Rate Schedule amendment shall be paid at the amended rate.”

B. UTILITY BILLS.

The following statements shall be included on each utility bill:

1. “Payment is due upon receipt.”
2. “PROCEDURES FOR PROCESSING PAYMENT OF DISPUTED UTILITY BILL”

“Should you have a question regarding this bill, please request an explanation from the Customer Services Division of PUC, within 10 days after receiving the bill. Your request may be made in writing to: Public Utilities Corporation, Customer Service Manager, P.O. Box 1372, Koror, Palau 96940.”

C. DISCONTINUANCE OF SERVICE NOTICE (5 day final notice).

The following statement shall be printed on each discontinuance of service notice:

PUBLIC UTILITIES CORPORATION
Regulations - 1995

“If payment is not received by 4:30 p.m. on the date shown above, your service will be disconnected without further notice. Full payment of the bill plus any reconnection charges will be required prior to any restoration of services. A deposit may be required to reestablish your credit, whether or not service is disconnected for nonpayment.”

“Tampering with meter or unauthorized breaking of seal constitutes a misdemeanor. Service shall not be restored until any charges for equipment replacement are paid.”

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 6
CUSTOMER CREDIT**

A. ESTABLISHING CREDIT.

Each applicant for utility service shall establish credit with the PUC by qualifying under any one of the following:

1. by providing a cash deposit to secure payment of bills for service in the amount prescribed in Regulation 7; or
2. by having been a customer of the Utility or a similar type of service within the past two years who during the past twelve consecutive billing periods of that prior service has had not more than two final notices as prescribed in Regulation 11.B, provided that the periodic bill for such previous service was equal to at least 50% of that estimated for the new service and provided further, that the credit of the applicant is unimpaired.

B. REESTABLISHMENT OF CREDIT; ALL CLASSES OF SERVICE.

1. An applicant who previously has been a customer of the Utility and whose service has been discontinued by the Utility one or more times during the past twenty-four billing periods of that prior service because of nonpayment of bills, shall reestablish credit by: (1) depositing the amounts prescribed in Regulation 7 for that purpose; or (2) by paying utility bills regularly due. This paragraph shall not apply to an applicant for domestic service whose nonpayment of bills was for other classes of service.
2. A customer who fails to pay bills before they become past due as prescribed in Regulation 11.B, and who further fails to pay such bills by the date indicated on a discontinuance of Service-notice for nonpayment of bills, shall pay said bills and reestablish credit by

PUBLIC UTILITIES CORPORATION
Regulations - 1995

depositing the amount prescribed in Regulation 7. This regulation shall apply regardless of whether service has been discontinued for such nonpayment.

3. A customer shall reestablish credit in accordance with Regulation 6 in case the conditions of service or basis upon which credit was originally established have, in the opinion of the Utility, materially changed.

4. A customer whose service has been discontinued pursuant to Regulation 11 for failure to pay past due bills, shall be liable for:

- a. interest of 1.5% per month on any outstanding balance;
and
- b. costs and fees, including court costs and attorney fees, associated with the collection of the unpaid balance.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 7
DEPOSITS**

A. GENERAL.

Deposits will be required for all applicants except those with satisfactory credit as set forth in Regulation 6.A.2.

B. AMOUNT OF DEPOSIT.

The amount of deposit required to establish or reestablish credit for electric service is:

1. twice the estimated average monthly bill; or
2. an amount equal to the expenses incurred by the PUC in supplying the service plus a sum equal to twice the estimated average monthly bill for such services, whichever is greater.
3. The amount of deposit may be adjusted to comply with Regulation 7.B.1. above if the estimated average becomes inconsistent with the actual monthly bill.

In no case shall the amount be less than the minimum deposit as set forth in Regulation 19.

C. RETURN OF DEPOSIT.

Upon discontinuance of service, the Utility shall either refund the full amount of the customer's deposit or, in the event the customer has an unpaid balance on any account with the Utility, the shall apply the deposit toward the payment of said account(s) and refund only the balance in excess of the amount owing on said account(s), if any.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

D. NO INTEREST ON DEPOSITS.

There shall be no interest paid on utility deposits held by the PUC.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 8
NOTICE**

A. NOTICE TO CUSTOMERS.

When notices from the Utility to a customer are required, they shall be given in writing and:

1. delivered personally;
2. posted at the premises; or
3. mailed to the address-specified in- the customer's application for service or to. any address subsequently specified by the customer.

B. NOTICES FROM CUSTOMERS.

Notices from a customer to. the Utility may be given by written communication mailed to the Utility's office or may be given orally by the customer or the customer's authorized agent at the Utility's office except when written notice is specifically required.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 9
RENDERING AND PAYMENT OF BILLS**

A. RENDERING OF BILLS.

1. Billing Period. Bills for electric service shall be rendered bimonthly, monthly or as otherwise provided in the tariff schedules.

2. Metered Service.

a. Bills for metered service will be based on meter registrations. Meters will be read as required for the preparation of regular bills, opening bills and closing bills.

b. If, because of unusual conditions or for reasons beyond its control, the Utility is unable to read the customer's meter on the scheduled reading date, the Utility may bill the customer for estimated consumption during the billing period, and make any necessary corrections when a reading is obtained. Estimated consumption for this purpose will be calculated considering the customer's prior usage, the Utility's experience with other customers of the same class in that area, and the general characteristics of the customer's operations. Adjustments for any underestimation or overestimation of a customer's consumption will be reflected on the first, regularly-scheduled bill rendered and based on an actual reading following any periods when estimation was required. Access to the meter, sufficient to permit its being read, shall be provided by the customer as a prerequisite to the Utility making any adjustment of electric consumption billed on an estimated basis.

3. Unmetered service.

Such service may be supplied under any appropriate rate schedule

PUBLIC UTILITIES CORPORATION
Regulations - 1995

at the Utility's operating convenience and all conditions of the rate schedule shall apply.

4. Pro rata computation.

All bills for electric service rendered will be computed in accordance with the applicable thirty-day rate schedule, charges will be prorated on the basis of the ratio of the number of days service has been rendered to the number of days in an average month of thirty days.

B. READING OF SEPARATE METERS NOT COMBINED.

Each meter shall be read and billed separately.

C. PAYMENT OF BILLS.

1. All bills are due upon receipt. Payment shall be made at a PUC authorized collection center.

2. Bills for connection or reconnection of service and payments for deposits or to reinstate deposits as required under the regulations of the Utility shall be paid before service will be connected or reconnected.

D. RETURNED CHECK CHARGE.

The Utility may require payment of a returned check charge for any check returned from the bank unpaid.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 10
DISPUTED BILLS**

A. PROCEDURE FOR CHALLENGING BILLS.

1. A customer who wishes to challenge any amount billed shall submit a written complaint to the Customer Service Division within ten (10) days of the receipt of the bill; however, in no event may bills be challenged more than thirty (30) days after the billing date.

2. A response from the Customer Service Division which is not satisfactory to the customer may be challenged provided that within ten (10) days of the receipt of the response, the customer submits payment for the entire amount of the of the disputed bill (payable to PUC) accompanied by a written statement setting forth the reasons why the customer believes the bill is incorrect to the General Manager, Public Utilities Corporation, PO Box 1372, Koror, Palau 96940.

B. REVIEW BY THE GENERAL MANAGER.

Upon timely receipt of the written statement, the PUC General Manager or his designee shall review the basis of the billed amount, make a written determination of the issues, and transmit a copy of the determination to the customer.

C. CHALLENGE OF SUBSEQUENT BILLINGS DURING REVIEW.

If before completion of the PUC General Manager's review, additional bills become due which the customer wishes to dispute, the customer will not be required to file the dispute with the Customer Service Division, as stated in Regulation 10.A. above; but will be required to send his/her remittance (payable to PUC) for the entire amount of the additional bills disputed to the Utilities General Manager and file additional written

PUBLIC UTILITIES CORPORATION
Regulations - 1995

statements within ten (10) days after receipt of such bills setting forth the reasons why the customer believes the additional bills are incorrect.

D. REVIEW BY PUC BOARD OF DIRECTORS.

If the bill is not satisfactorily resolved with the Public Utilities General Manager or his designee the customer may appeal to the Public Utilities Board of Directors who will then make the final determination on any unresolved bill disputes. The appeal must be submitted in writing to the Chairman of the Public Utilities Corporation Board of Directors, together with the reasons for the dispute within seven (7) days following receipt of the Public Utilities General Manager's review. In the absence of a timely-filed appeal, the decision of the General Manager shall be final. A hearing will be held by the Public Utilities Corporation Board of Directors within (60) sixty days of receipt of the appeal. A written decision of the PUC Board shall be delivered to the customer within fifteen (15) days following the appeal hearing. The decision of the Board of Directors shall be final.

E. CHALLENGE OF SUBSEQUENT BILLINGS DURING BOARD REVIEW.

If, before the issuance of the Board decision required in Regulation 10.B, additional bills become due which the customer wishes to dispute, the customer will not be required to file the dispute with the Customer Service Division, as stated in Regulation 10.A. above; but will be required to send his/her remittance (payable to PUC) for the entire amount of the additional bills disputed to the Public Utilities General Manager and file additional written statements within ten (10) days after receipt of such bills setting forth the reasons why the customer believes the additional bills are incorrect.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 11
SERVICE DISCONTINUANCE AND RESTORATION**

A. PAST DUE BILLS.

Bills rendered will be considered past due if not paid within fifteen (15) days after date of presentation.

B. DISCONTINUANCE OF SERVICE NOTICES.

The Utility may issue a discontinuance of service notice to any customer whose bill is past due under Regulation 11.A.

C. DISCONTINUING SERVICE FOR NONPAYMENT OF BILL.

Except as indicated below, service may be discontinued when a customer fails to make payment in conformance with a discontinuance of service notice.

1. Any customer who contests a bill and has initiated a complaint in compliance with Regulation 10 shall not have service discontinued for nonpayment during the pending investigation by PUC of such customer's complaint provided the customer also complies with Regulation 10 requirements to keep accounts current.
2. Services shall not be discontinued for nonpayment for any customer complying with an amortization agreement entered into with PUC, provided the customer also keeps current the account for utility services as charges accrue in each subsequent billing period. If a customer fails to comply with an amortization agreement, the PUC will give a 5-day discontinuance of service notice before discontinuing services, but such notice shall not entitle the customer to further investigation by PUC.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

3. Utility services to a domestic customer will not be discontinued for non-payment when the customer has established to the satisfaction of the PUC that such termination would be especially dangerous to the health of the customer or a full-time resident of the customer's household. Certification from a licensed physician, public health nurse, or a social worker may be required by PUC.

4. A customer's service may be discontinued for nonpayment of a bill for service previously rendered him at any location served by the Utility provided that such bill is not paid within 5 days after presentation of a notice stating that present service will be discontinued for nonpayment of such bill for prior service. However, residential service will not be discontinued because of nonpayment of bills for other classes of service.

D. DISCONTINUING SERVICE FOR NONPAYMENT OF BILL FOR OTHER LOCATION.

1. If a customer is receiving more than one service, any or all services may be discontinued when any service, regardless of location, is discontinued for nonpayment. However, residential service will not be discontinued because of nonpayment of bills for other classes of service.

2. On any Saturday, Sunday, legal holiday recognized by PUC, or at any time during which the business office of the PUC is not open to the public, service will not be discontinued by reason of delinquency in payment for utility services.

E. DISCONTINUING SERVICE FOR UNSAFE EQUIPMENT.

The Utility may refuse or discontinue service to a customer if any part of the customer's wiring or other equipment, or the use thereof, is unsafe or in violation of applicable law. The Utility does not assume any

PUBLIC UTILITIES CORPORATION
Regulations - 1995

responsibility for inspecting or repairing the customer's wiring or other equipment or any part thereof and assumes no liability therefor.

F. SERVICE DETRIMENTAL TO OTHER CUSTOMERS.

The Utility will not provide service to a customer utilizing equipment which is detrimental to the service of the Utility or its other customers. The Utility will discontinue electric service to any customer who shall continue to operate such equipment after having been given notice by the Utility to cease utilizing such equipment.

G. FRAUD.

The Utility may refuse or discontinue service if the acts of the customer or the conditions upon the customer's premises are such as to indicate an intent to defraud the Utility. A fee will be collected for the investigation of acts of fraud and/or diversion as referenced in Regulation 19.

H. CRIMINAL AND/OR NEGLIGENT ACTS.

PUC may discontinue service to any customer whose willful or negligent act caused the loss of revenue, damage to PUC property or other damages to the PUC.

I. FAILURE TO PAY DEPOSIT OR ESTABLISH OR REESTABLISH CREDIT.

If the Utility provides service before credit is established or continues service to a customer when credit has not been reestablished in accordance with Regulation 6, and if the customer fails to establish or reestablish credit, the Utility may discontinue service.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

J. NONCOMPLIANCE.

Except as otherwise specifically provided in Regulation 11, the Utility may discontinue service to a customer for noncompliance with tariff schedules if, after written notice of at least 5 days, the customer has not complied with such notice. The Utility may dispense with the giving of such notice in the event there exists in the Utility's opinion a dangerous condition, thus rendering the immediate discontinuance of service to the premises imperative.

K. CUSTOMER'S REQUEST FOR SERVICE DISCONTINUANCE.

When a customer desires to terminate responsibility for service, the customer shall give the Utility not less than two-days' notice of this intention, state the date on which the customer wishes the termination to become effective, and provide the Utility with the address to which the closing bill should be mailed. A customer shall be held responsible for all service furnished at the premises until two days after receipt of such notice by the Utility or until the date of termination specified in the notice, whichever date is later.

L. RESTORATION -- RECONNECTION CHARGE.

The Utility will require payment of a reconnection charge before restoring service that has been disconnected for nonpayment of bills or for failure otherwise to comply with tariff schedules. If service has been illegally restored or damaged due to tampering, the customer shall pay all damage charges prior to reconnection. The customer and/or beneficiary of service is responsible for all damage charges whether or not service is reconnected. In case the customer places a request on a day when maximum workload has been scheduled, an additional charge will be made in conformance with Regulation 19.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 12
RATES AND OPTIONAL RATES**

A. EFFECTIVE RATES.

The rates charged by the Utility for electric service are those then in effect and on file with the Public Utilities Corporation General Manager. A copy of complete tariff schedules as filed with the Public Utilities Corporation General Manager, shall be maintained for public inspection at the office of the PUC Customer Service Office.

B. OPTIONAL RATES.

1. Where there are two or more rate schedules, rates, or optional provisions applicable to the class of service requested by the applicant, the Utility or its authorized employees will call applicant's attention, at the time application is made, to the several schedules, and the applicant must designate which rate schedule, rate, or optional provision he desires. When the customer notifies the Utility of any material change in the size, character, or extent of his utilizing equipment or operations, in accordance with Regulation 3.C., the Utility will, within a reasonable time, advise the customer of the resulting rate options. In the absence of the notification provided for in Regulation 3.C., the Utility assumes no responsibility of advising the customer of lower optional rates under other existing schedules, rates, or optional provisions available as a result of the customer's changes in equipment or operations.

2. When an applicant for new service has applied for service under a mutually-agreed-upon rate schedule, the rate schedule will remain in effect for a minimum of three billing periods to determine the accuracy of the application of the rate.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

C. NEW OR REVISED RATES.

Should new or revised rates be established after the time application is made, the Utility will, within a reasonable time, use such means as may be practical to bring them to the attention of those of its customers who may be affected thereby.

D. CHANGE OF RATE SCHEDULE.

1. A change to another applicable rate schedule, rate, or optional provision will be made only where the customer elects to make such change, or where in the opinion of the Customer Service Office, another rate schedule is more applicable.
2. Should a customer so elect, the change will be made provided:
 - a. a change has not been made effective during the past twelve-month period; or
 - b. the change is made to, or from, a new or revised rate schedule; or
 - c. there has been a change in the customer's operating conditions for that service which, in the opinion of the Utility, justifies the change; and
 - d. the change is not made more often than once in twelve months where service is being supplied under a schedule containing an annual fixed charge or an annual minimum charge; and
 - e. the customer has made the request by written notice to the Utility.
3. The change will become effective for the billing period during

PUBLIC UTILITIES CORPORATION
Regulations - 1995

which the customer has requested the change and is not subject to a retroactive adjustment except when such change is the result of a utility error, in accordance with Regulation 17.C.

E. INTERCONNECTION.

Unless otherwise stated in the rate schedule, the rate schedules of the Utility are applicable only for service supplied entirely by the Utility without interconnection with any other source of supply, except that interconnection to an emergency power source shall be allowed provided the interconnection is by a double-throw switch or other switching approved by the PUC.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 13
TEMPORARY SERVICE**

A. ESTABLISHMENT OF TEMPORARY SERVICE.

Provided that service to its existing customers is not adversely affected, temporary service shall be provided under the following conditions.

1. The applicant shall pay, in advance or otherwise as required by PUC, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.
2. The applicant shall establish credit as required by Regulation 6, except that the amount of deposit prescribed in Regulation 7 shall not exceed the estimated bill for the duration of service.
3. If service is requested to any structure not of a permanent construction with a foundation, or which can be classified as removable, such as trailers, billboards, sheds, signs, etc., they shall be determined to be temporary and applicable to the terms and conditions of the requirements of sections one and two of this regulation.
4. Temporary service for construction purposes shall be discontinued to the applicant and removed if it is used for other than the intended purpose. With the Utility's approval, a temporary service may be used for non-construction purposes when all applicable safety and construction codes are adhered to. If a non-utility approved power source is connected on the construction site, the utility's temporary service shall be discontinued. Service may be suspended without notice to the applicant as required by Regulation 14.C.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 14
VARIATIONS IN ELECTRICAL QUALITY OR SUPPLY**

A. QUALITY.

The Public Utilities Corporation does not give any warranty, expressed or implied, as to the quality, adequacy, safety, or other characteristics of the electricity and/or electric service provided by the Public Utilities Corporation.

B. SHORTAGES, BROWNOUTS, INTERRUPTIONS, SPIKES, SURGES.

1. The Public Utilities Corporation will exercise reasonable diligence to: 1) furnish a continuous and sufficient supply of electricity to its customers; and 2) minimize the occurrence of shortages, brownouts, interruptions, spikes, surges, or other electricity delivery problems; however, the Public Utilities Corporation cannot and does not guarantee a continuous or sufficient supply, or freedom from such conditions which may affect the quality of the electricity provided.

2. The Public Utilities Corporation shall not be liable for variations in the quality of electricity supplied, nor for failure to supply a continuous or sufficient supply of electricity, nor shall it be liable for variations in the quality of electricity supplied, nor for damage or loss occasioned by such failure to supply, or by shortages, brownouts, interruptions, spikes, surges, or other electricity delivery problems.

3. Whenever, in the operation of the PUC's electric plants, properties, and/or systems, interruption in the delivery of electricity to customers results from or is occasioned by causes other than the exercise by the PUC of its right to suspend temporarily the delivery of electricity for the purpose of making repairs or improvements to its system, the PUC will exercise reasonable diligence to reinstitute

PUBLIC UTILITIES CORPORATION
Regulations - 1995

delivery of electricity.

C. TEMPORARY SUSPENSION FOR REPAIRS.

1. The Public Utilities Corporation, whenever it shall find it necessary for the purpose of making repairs or improvements to its system, shall have the right to suspend temporarily the delivery of electricity. In all cases, reasonable notice thereof as circumstances will permit will be given to the customer over the Voice of Palau radio program or other means of mass communication, and the making of such repairs or improvements will be prosecuted as rapidly as may be practicable and consistent with prudent Utility practices to minimize the inconvenience to the PUC's customers.

2. When it is necessary to suspend temporarily the delivery of electricity for repairs or improvements to the system in accordance with Regulation 14.C.1 above, and the customer requests that such suspension of service occur at other than during normal PUC working hours, the Utility reserves the right to receive, in advance, the total estimated labor-related costs to be incurred by PUC for performing the work during non-regular PUC work hours. The customer shall also pay any additional cost actually incurred in excess of the estimated costs.

D. APPORTIONMENT OF SUPPLY DURING TIME OF SHORTAGE.

Should a shortage supply ever occur, the PUC will apportion the available supply of electricity among its customers as authorized or directed by the General Manager. The decision of the Public Utilities Corporation General Manager shall be final in such matters.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 15
LINE EXTENSIONS

Extensions of distribution lines of standard voltages (overhead pole lines and/or underground facilities consisting of conduit and cable which are operated at standard distribution voltages of 13.8 kv or 7,986 volts) necessary to furnish permanent electric service to applicants will be made by the Utility in accordance with the following provisions.

A. GENERAL.

The Utility will construct, own, operate and maintain lines only along public streets, roads and highways which the utility has the legal right to occupy, and on public lands and private property across which rights of way satisfactory to the utility may be obtained without cost or condemnation by the Utility.

B. LINE EXTENSIONS TO INDIVIDUAL APPLICANTS FOR SERVICE.

1. Except for those instances where the customer requests special facilities, the Utility will install, own and maintain the necessary transformers, meters, and service wires in accordance with Regulation 16.
2. Line extensions required to serve new developments shall be paid for by the applicant. The applicant shall be responsible for all costs to install said line, including preparation of plans, specifications and inspections. Where a line extension serves more than one customer, the costs of the line extension shall be borne by those persons benefitting from said line extension. Exceptions may be made at the discretion of the Public Utilities General Manager.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

C. LINE EXTENSIONS TO GROUP APPLICANTS FOR SERVICE.

1. Where mutually agreed upon by the utility and the original applicant(s) and where the installation [of] a transformation point (a single transformer or transformer bank) will be required, all applicants to receive service from the transformation point will be considered as a group for the purpose of this regulation.
2. Each applicant's share of the cost of the line extension shall be the sum of the amounts determined in Regulation 15.B.2. divided by the number of applicants.

D. OVERHEAD EXTENSIONS TO SERVE SUBDIVISIONS OR TRACTS, HOUSING PROJECTS, AND MULTIFAMILY DWELLINGS.

Extensions to serve real estate subdivisions will be made in accordance with Regulation 15.B. hereof.

E. UNDERGROUND EXTENSIONS.

1. The applicant shall provide all substructures, including all conduit, manholes, conductors and vaults necessary for an underground electrical distribution system, and shall pay to PUC the cost of all labor and materials, including, but not limited to, cables and devices necessary for the installation of said underground system, and the cost for the preparation of plans, specifications and inspection of said system.
2. Underground service will be installed and maintained as provided in Regulation 16.
3. Where mutually agreed upon by the Utility and the original applicant(s) and where the installation of an underground transformation point (a single transformer or transformer bank) will

PUBLIC UTILITIES CORPORATION
Regulations - 1995

be required, all applicants to receive underground service from the transformation point will be considered as a group for the purpose of this regulation. Each applicant's share of the cost of the line extension shall be the sum of the amounts determined in Regulation 15.B.2. divided by the number of applicants.

4. The underground line extension cost shall include the primary voltage line (7,967 volts or over) from the last primary voltage source to the transformation point serving the group.

F. APPLICANT-INSTALLED EXTENSIONS TO SERVE INDIVIDUALS.

1. Where mutually agreed upon by the Utility and the applicant, the underground duct system (including necessary conduits, ducts, manholes, vaults, and service lateral ducts) may be installed by the applicant in accordance with the Utility's specifications.

2. Any additional underground facilities necessary to complete the extension, exclusive of transformers, meters, and services, shall be installed by the Utility at the applicant's expense.

3. Underground service will be installed and maintained as provided in Regulation 16.

G. SPECIAL CONDITIONS.

1. Alternative Routes. Where applicable laws or regulations prevent the utilization of what otherwise would be the shortest practicable route for an overhead line extension, for the purpose of delivering electric service to the applicant, the applicant shall provide the Utility and alternative right-of-way satisfactory to it. If the applicant chooses to request underground delivery over what would otherwise be the shortest practicable route, the utility will, where feasible in accordance with regulations on underground extensions, provide

PUBLIC UTILITIES CORPORATION
Regulations - 1995

such underground delivery.

2. Extensions for temporary service or for operations of a speculative character of questionable permanency will not be made under this regulation; but will be made in accordance with the regulations pertaining to temporary service.

3. Exceptional cases. The General Manager may authorize the installation of line extensions not in conformance with these regulations only in exceptional or unusual circumstances in which compliance with these regulations would be impractical or unjust.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

REGULATION 16
CUSTOMER CONNECTIONS AND FACILITIES

A. METER INSTALLATIONS AND MISCELLANEOUS SERVICE EQUIPMENT ON CUSTOMER'S PREMISES.

1. Meter Installations.

a. Location. All meter sockets shall be installed at some convenient place, approved by the Utility, upon the customer's premises and so placed as to be at all times accessible for inspection, reading and testing. The customer shall, at his own expense, provide a new and approved location for the meter or meters in order to comply with the foregoing whenever the existing meter or meters becomes inaccessible for inspection, reading, or testing.

b. Separate Meters Required. Each single family dwelling or accommodation shall be separately metered.

c. Multiple-Occupancy Buildings. In all buildings in which meters are required to be installed for various floors or groups of rooms in order to measure separately the electrical energy supplied to each of several customers, all meters shall be located at one central point. Each meter position shall be clearly marked, by the building owner, to indicate the particular location supplied by it.

d. Sealing of Meters. All utility meters will be sealed by the Utility, and no such seal shall be tampered with or broken except by a representative of the Utility authorized to do so.

PUC will furnish as a normal metering installation, meters adequate to measure at a single point of delivery the demand and energy consumption, as specified in the rate tariff or as determined by the

PUBLIC UTILITIES CORPORATION
Regulations - 1995

General Manager. The type of such meters shall be determined by the PUC. The customer shall install a meter socket to facilitate the installation of PUC's kilowatt-hour meter. The customer shall provide space acceptable to the Utility for the required metering installation. Primary metering installations shall conform to the utility's requirements and specifications.

2. Miscellaneous Service Equipment.

a. Equipment Furnished by Customer. All service switches, fuses, meter sockets, meter and instrument transformer housing, switchboard meter test busses and similar devices, irrespective of voltage, required in connection with service and meter installation on customer's premises, shall be furnished, installed, and maintained by the customer in accordance with the Utility's requirements. Detailed information will be furnished by the Utility on request.

b. Equipment furnished by Utility. The Utility will furnish and install the necessary instrument transformers, test facilities (except switchboard meter test busses), and meters. Also, the Utility will furnish the metering enclosures when it deems it necessary to locate metering equipment at a point that is not accessible to the customer.

B. SERVICE CONNECTIONS.

1. Overhead Services.

a. Service drops. The Utility will furnish and install a single span of service wires (up to 100 feet in length) from its pole to the customer's first permanent support, provided such support is of a type, and is so located that such service wires may be installed to a point approved by the Utility in accordance with good engineering practice, and in compliance with all

PUBLIC UTILITIES CORPORATION
Regulations - 1995

applicable laws, ordinances, regulations and regulations, including those governing clearances and points of attachments.

b. Impaired clearance. Whenever any of the clearances required by the applicable laws, ordinances, regulations or regulations of public authorities from the service drops to the ground or any object becomes impaired by reason of any changes made by the owner or tenant of the premises, the customer shall, at his own expense, provide a new and approved support, in a location approved by the Utility, for the termination of the Utility's existing service drop wires and shall also provide all service entrance conductors and equipment necessitated by the change of location.

c. Service Entrance Conductors. For each overhead service connection, the customer shall furnish at his own expense a set of service entrance conductors which shall extend from the point of service delivery at the point of termination of the Utility's service drop on the customer's support to the customer's meter switch. Such service entrance conductors shall be of a type and be in an enclosure which are in accordance with the National Electrical Code.

2. Underground Service Connections.

a. Any customer desiring the service conductors to be installed underground shall furnish, install and maintain, at his expense, conduit or duct from a terminating pull box to the pole, designated by PUC, on which the connection is to be made. The customer shall also furnish at his expense, and convey to the Utility the necessary material to reach the service arm of the designated pole. After the conduit or duct from a terminating pull box to the pole is installed and the conductors are satisfactorily connected and operational, the ownership of said materials transfers to the Utility which will

PUBLIC UTILITIES CORPORATION
Regulations - 1995

thereafter assume all maintenance responsibilities for the materials transferred. Material furnished by the customer and its installation shall be as specified by the Utility.

b. The size of conductors to be furnished or paid for by the customer will be determined by the Utility and the Utility will assist on the installation at its expense. The customer shall pay the cost of conductors for the entire distance. The customer shall furnish and install, at his expense, a pull line as specified by the Utility.

3. Number of service to be installed.

PUC will not install more than one service for the same voltage and phase classification for any one building or group of buildings on a single premises.

C. TRANSFORMER INSTALLATION ON CUSTOMER'S PREMISES.

In cases where the PUC desires to install transformers on customer's premises, the customer shall provide adequate space for the transformer installation and furnish a satisfactory right-of-way for the service conductors.

D. SPECIAL SERVICES.

Premises for which arrangements are made for any special type of service (such as but not limited to: three phase service to a residence, emergency, X-ray, welder, or transmitter service) will be served only by underground connection where general service to the premises is by underground connection. All additions to underground facilities to accommodate such service will be made by the Utility at the customer's expense. Ownership of such additions will remain with the Utility.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

E. CONNECTION OF CUSTOMER'S SERVICE TO UTILITY LINES.

Only duly authorized employees of the PUG may connect or disconnect the customer's service from the Utility's lines.

F. OWNERSHIP AND MAINTENANCE OF FACILITIES.

1. All transformers, meters, service wires, appliances, fixtures, and other facilities installed by the utility at its expense, upon the customer's premises for the purpose of delivering electric energy to the customer shall continue to be property of the Utility, and may be repaired or replaced by the Utility at any time, and removed at the termination of service, and may also be used to supply other customers whether or not on the same premises, provided the proper rights of way have been obtained.

2. No rent or other charge whatsoever shall be made against the utility for placing or maintaining such facilities upon the customer's premises. The customer shall exercise reasonable care to prevent the facilities of the Utility upon said premises from being damaged or destroyed, and shall refrain from relocating or otherwise interfering with same and, in case any defect therein shall be discovered, shall promptly notify the Utility thereof.

G. CUSTOMER RESPONSIBILITY FOR OWN EQUIPMENT.

1. The customer shall, at his own sole risk and expense, furnish, install, inspect and keep in good and safe condition all electrical wires, lines, machinery, and apparatus of any kind of character which may be required for (1) receiving electric energy from the lines of the Utility regardless of the location of the transformers, meters, or other equipment of the Utility; and (2) applying and utilizing such energy, including all necessary protective appliances and suitable housing thereof.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

2. The Utility shall not be responsible for any loss or damage occasioned or caused by the negligence, want of proper care or wrongful act of the customer or of any of his agents, employees, or licensees on the part of the customer in installing, maintaining, using, operating, or interfering with any such wires, lines, machinery or apparatus.

H. RIGHT OF ACCESS.

The Utility shall, at all times, have the right of ingress to and egress from a customer's premises at all reasonable hours for any purposes reasonably connected with the furnishing of electric energy and the exercise of any and all right secured to it by law or these regulations.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 17
METER TESTS AND BILL ADJUSTMENTS**

A. TESTS.

1. A customer may, on notice of not less than one week, require the Utility to test the meter for the customer's service. No charge will be made for such test, but, should a customer demand a test within four (4) months after installation or more often than once in six (6) months, a deposit will be required to cover the cost of the test. This deposit will be returned if the meter is found to register more than 2% fast or 2% slow. The amount of the deposit will be dependent on the type of meter to be tested and is contained in Regulation 19.

2. A customer shall have the right to require the Utility to conduct the test in the customer's presence or in the presence of an expert or other representative appointed by the customer. The results of the test will be furnished to the customer within a reasonable time after completion of the test.

B. ADJUSTMENT OF BILLS FOR METER ERROR.

1. Fast Meters. When, upon test, any meter is found to be registering more than 2% fast, the Utility will refund to the customer the amount of the overcharge, based on corrected meter readings, subject to the provisions of paragraph 4 hereof.

2. Slow Meters. When, upon test, any meter is found to be registering more than 2% slow, the Utility may bill the customer for the amount of the undercharge, based on corrected meter readings, subject to the provisions of paragraph 4 hereof.

3. Non-registering Meters. When, upon test, any meter is found to

PUBLIC UTILITIES CORPORATION
Regulations - 1995

be non registering, the Utility may bill the customer for the estimate of electricity consumed but not registered, subject to the provisions of paragraph 4 hereof. Bills for this purpose will be estimated from the customer's prior use, the customer's subsequent use correctly metered, the Utility's experience with other customers of the same class, and the general characteristics of the customer's operation.

4. Retroactive adjustments. When the date of an error in a meter can be reliably established, the undercharge or overcharge may be computed back to that date, provided, however, that in no case will a bill for an undercharge exceed a twelve (12) month period for single-family residential service schedules or a twenty-four (24) month period for all other service schedules. Refunds for overcharges shall not exceed a twenty-four month period unless otherwise directed by the General Manager.

C. ADJUSTMENT OF BILLS FOR CLERICAL ERROR.

Inaccuracies of meter reading, recording or bills reflecting clerical or meter errors shall be corrected back to the date for which the overcharge or the undercharge may be reliably established. In cases where electric consumption dates or other factors required for application of rate schedules or other provisions are not subject to exact determination or are in question or dispute relative to service or rate application, the Utility shall establish such factors by tests, analysis, and/or investigations to determine the proper basis for making an adjustment, if any. Undercharge adjustments in billing however, shall not exceed a twelve (12) month period for single-family domestic service schedules or a twenty-four (24) month period for all other service schedules. Overcharge refunds shall not exceed a twenty-four (24) month period for all service schedules unless directed otherwise by the General Manager or a representative designated by the General Manager.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 18
SUPPLY TO SEPARATE PREMISES AND RESALE**

A. SEPARATE METERING.

Separate premises will not be supplied through the same meter, except as may be specifically provided for in the rate schedule.

B. OTHER USES OR PREMISES.

A customer shall not use electricity received from PUC upon other premises nor for other purposes than those specified in his application or in the rate schedule applied.

C. USE BY OTHERS.

A customer shall not charge for electricity received from PUC and used by any other person, except:

1. where the charge to tenants is absorbed in the rental for the premises of space occupied; or
2. where the customer is the owner, lessee, or operator of a multifamily accommodation and electricity is submetered and resold to tenants at the same rates that PUC would charge for the service if supplied directly. In such cases, the owner, lessee, or operator shall furnish, install, maintain, and test the submeters.

All energy use, including use by others, supplied through a single Utility meter is the responsibility of the customer of record.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

D. RESALE OF ELECTRICITY.

Resale of electricity or submetering of electricity for the purpose of resale is prohibited except as provided for under Regulation 18.C.2. above.

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

**REGULATION 19
CUSTOMER SERVICE FEES**

A. APPLICABILITY.

The following customer service fees are applicable to all classes of service.

<u>Regulation Number</u>	<u>Description</u>	
	<u>Fee Amount</u>	
3	Service establishment charge	\$5.00
3	Service Establishment Charge/Additional	5.00
7	Minimum Deposit	100.00
9	Returned Check Charge	20.00
11	Collection Fee	5.00
11	First Reconnection	25.00
11	Second Reconnection within 12 months	50.00
11	More than two reconnections in 12 months	100.00
11	Investigation Charges	Time and materials
17	Meter Test 1 Phase - Shop	40.00
17	Meter Test 1 Phase - Field	30.00
17	Meter Test 3 Phase - Shop	50.00

**PUBLIC UTILITIES CORPORATION
Regulations - 1995**

ADOPTION OF ELECTRICAL SERVICE REGULATIONS

WHEREAS, the Board of Directors of the Public Utilities Corporation conducted a public hearing on the adoption of the Public Utilities Corporation Electrical Service Regulations on December 22, 1994 pursuant to RPPL 4-13, Section 13(3); and

WHEREAS, the Board of Directors fully considered all written and oral submissions concerning the adoption of the Electrical Service Regulations in accordance with said statute; and

WHEREAS, on January 10, 1995 the Board of Directors approved the adoption of the Electrical Service Regulations subject to the correction of typographical errors; and

WHEREAS, the Electrical Service Regulations have now been corrected and reprinted and prepared for filing and distribution;

NOW THEREFORE, the Board of Directors of the Public Utilities Corporation hereby formally acknowledges the adoption of the Electrical Service Regulations in accordance with RPPL 4-13, Section 13(4).

IN WITNESS WHEREOF, we have hereunder set our hands and affix our signatures this 30th day of March, 1995 in Koror, Republic of Palau.

_____/s/
Yukiwo P. Dengokl
Chairman

_____/s/
Joshua Koshiba
Vice Chairman

_____/s/
Matthew Rudimch
Secretary

_____/s/
August Remoket
Member

_____/s/
Priscilla Soalablai
Member

PUBLIC UTILITIES CORPORATION
Regulations - 1995

STATEMENT OF BASIS FOR THE ADOPTION OF THE ELECTRICAL
SERVICE REGULATIONS.

The Board of Directors of the Public Utilities Corporation adopted the Electrical Service Regulations in accordance with RPPL 4-13, Section 13 on the following basis.

1. Notice of the hearing regarding the adoption of the Electrical Service Regulations was provided more than 30 calendar days in advance of the hearing. Notice was posted in accordance with Section 1 of RPPL 4-13 and read over WSZB radio in accordance with said section.
2. Copies of the proposed Electrical Service Regulations were made available to the public at the Public Utilities Corporation office in Koror.
3. On December 22, 1994 the Board of Directors held the public hearing on the adoption of the proposed Electrical Service Regulations at which all submissions, written and oral, were received. The Board of Directors fully considered all written and oral submissions and found that no submissions opposed the adoption of the Electrical Service Regulations.
4. The Board of Directors also found that the government utility regulations previously in effect did not meet all the needs of the Public Utilities Corporation.
5. On January 16, 1995, the Board of Directors approved the adoption of the of the Public Utilities Corporation Electrical Service Regulations subject to the correction of typographical errors.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

6. On March 30, 1995 the Board of Directors formally acknowledged the adoption of the Public Utilities Corporation Electrical Service Regulations.

Date: March 30, 1995

/s/
Yukiwo P. Dengokl
Chairman, Board of Directors
Public Utilities Corporation

PUBLIC UTILITIES CORPORATION
Regulations - 1995

Memorandum

September 29, 1995

Honorable Kuniwo Nakamura
President, Republic of Palau
PO Box 100
Koror, Republic of Palau 96940

Honorable President Nakamura:

The PUC Board of Directors, in accordance with RPPL 4 -13; Section 13, as amended by RPPL 4 - 32: "No later than October 1, 1995, and annually thereafter, the PUC Board shall set rates calculated to allow the PUC to meet all operating costs within five years", has approved a Rate Schedule for FY '96.

This Rate Schedule is based upon the revenue needs of the PUC for FY '96 and in compliance with your proposed FY '96 Budget.

We have reviewed the Rate Schedule with your staff and believe that it meets our mutual needs. This Rate Schedule includes an equitable distribution of the \$1,825,000 Utilities Subsidy as requested. This Rate Schedule is designed to complement the \$175,000 of your proposed FY '96 Budget that is to be "set aside for a program which will pay the electricity costs of low income households headed by Palauan citizens and for payments to households who may be adversely affected by power plant operations."

In full compliance with RPPL 4 - 13, (Section 13; 1 - 3) the PUC has given at least 30 days notice, by posting a written notice at all required locations. It was read over WSZB Radio, posted on Island Cable Television and presented in its entirety in the Tia Belau. Copies of the proposed increases and additional clarification were presented to both the House and Senate of the OEK and the Chamber of Commerce.

On September 25, 1995 the PUC conducted a Public Hearing [in English and Palauan] and has fully considered all written and oral submissions.

On September 27, 1995 the PUC Board of Directors formally approved the attached Rate Schedule for Fiscal Year 1996.

We understand that the Olbiil Era Kelulau is proposing to include several amendments to the continuing resolution for FY '96; included in these is the deferral of the PUC's rate increase. However, the PUC Board of Directors is required by existing law to set these rates and to file them with the Office of the President, no later than October 1, 1995.

PUBLIC UTILITIES CORPORATION
Regulations - 1995

- If the OEK approves your proposed subsidy for the PUC, then the rates fully accommodate that subsidy.
- If the OEK reduces your proposed subsidy for the PUC, then the rates would have to be increased accordingly.
- If the OEK increases your proposed subsidy for the PUC, then a utility rebate or reduction in the monthly service charges could be accommodated.
- If the OEK defers the approval of your \$175,000 subsidy for low income households then the PUC will need to have a MOU to accommodate the low income households, until such time as your budget is finally approved by the OEK.

The PUC has an approved FY '96 operating budget that is dependent on the \$270,000 additional monthly revenue that this rate schedule will produce.

The only issue that might cause any concern is that additional funds will be required by various government departments to pay for their power bills under the new rates; these additional funds might not be included in the continuing resolution.

The PUC intends to implement these rates in accordance with RPPL 4 - 13, as amended by RPPL 4 - 32; effective September 29, 1995, the date of filing.

Sincerely,

/s/

Yukiwo P. Dengokl
Chairman of the Board, PUC

cc: Board of Directors
General Manager