name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. <u>501</u> Sheet No. <u>501</u>

# Line Extension Policy Rules, Regulations or Extension Policy

The following rules and regulations will apply to all territory served by La Plata Electric Association, Inc., hereinafter referred to as the "Association".

# I. DEFINITIONS

### A. GENERAL

### APPLICANT

Any person, business entity or political body applying to the Association for new Electric Service or modification of existing electrical facilities.

## APPLICANT INSTALLED INFRASTRUCTURE

Electric service for which the Applicant has installed the infrastructure as provided for in Section II. C.

#### **APPLICATION**

A formal request submitted to the Association for new Electric Service or modification of existing electrical facilities.

### **ELECTRIC SERVICE**

Delivery of electricity to a meter by Service Line or Primary Extension.

#### **ENGINEERING FEE**

The fee that will be assessed to help defray the cost of engineering services associated with the Line Extension.

#### LINE EXTENSION

Any installation or modification of electrical facilities owned and maintained by the Association.

#### PRIMARY EXTENSION

Any extension of the electrical system from an existing primary source to the transformer that is energized at a primary distribution voltage level (e.g. 4.16 kV to 25 kV).

#### SERVICE LINE

Any extension of the electrical system from a transformer to the point of metering that is energized at a secondary distribution voltage level (e.g. 120/240, 120/208, 277/480 or 240/480 volts).

# WORK ORDER

The term used by the Association to track the status of an Applicant's request.

# B. COSTS AND CONSTRUCTION CREDITS/REBATES

### ADVANCE PAYMENT

The payment for the Cost of Construction that may be required in advance of the Work Order being released for construction.

**CONSTRUCTION CREDIT** 

The portion of the Cost of Construction that will be funded by the Association as described in "Exhibit A." in advance of the Work Order being released for construction.

2/15/2017	2/15/2017
Date of Board Approval  Signature of Issuing Officer  Title - Chief Executive Officer	Issue Date
THE - CINCI EXCENTIVE OTHER	4/1/2017
Advice Letter No. <u>84</u>	Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. <u>502</u> Sheet No. <u>502</u>

# Line Extension Policy Rules, Regulations or Extension Policy

#### CONSTRUCTION REBATE

The portion of the Cost of Construction that will be funded by the Association as described in "Exhibit A." after construction has been completed and contractual obligations have been met. The actual value of the rebate is solely dependent upon the amount of Advance Payment, and is capped by the amount established in "Exhibit A"

#### CONTRACT

Agreement between the Applicant and the Association which identifies the costs, and outlines the terms and conditions upon which Electric Service will be supplied to the agreed upon location(s).

#### COST OF CONSTRUCTION

The cost to design, construct and perform final inspection of the requested Line Extension; cost includes, but is not limited to, labor, transmission equipment, primary and secondary distribution equipment, design, acquisition of right-of-way and right-of-way clearing. The Cost of Construction does not include the Applicant's costs for trenching, backfilling and/or boring as described in Section II. G.

## PLANT FACTOR (Construction Credit)

A fixed charge rate that includes the O&M, Depreciation, Taxes and Interest as a percent of Plant.

#### RUS

United States Department of Agriculture Rural Utilities Service

#### RETURN (Construction Credit)

The minimum margins required to meet RUS Operating TIER requirements.

#### TIER (Construction Credit)

Time Interest Earned Ratio – The sum of the Association's Long Term Interest and the Association's Margins divided by the Association's Long Term Interest.

## C. LINE EXTENSION CLASSIFICATIONS

#### DEVELOPMENT SERVICE

Electric service to apartment complexes, mobile home parks, single family residential lots, townhomes or condominiums of a project that is defined as a subdivision or development by the local authority under whose jurisdiction land use classifications are determined.

### DISTRIBUTIVE GENERATION SYSTEM INTERCONNECTION

Interconnection from electric power production system that is operating in parallel with and capable of delivering energy to a utility electric supply system, as defined in the most currentedition of the National Electric Safety Code. Examples of "Distributive Generation" systems include, but are not limited to: solar gardens, wind farms and bio-mass facilities.

#### INDETERMINATE COMMERCIAL SERVICE

Electric service to all industrial and commercial facilities where the use of electricity in either amount or permanency cannot be determined with assurance.

Examples of "Indeterminate Commercial Service" include, but are not limited to: mines, quarries, oil/gas wells, industrial and commercial enterprises and unguation systems.

2/15/2017	2/15/2017
Date of Board Approval Signature of Issuing Officer Title - Chief Executive Officer	Issue Date
This - Circl Executive Officer	4/1/2017
Advice Letter No. 84	Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. 503 Sheet No. 503

# Line Extension Policy Rules, Regulations or Extension Policy

### INDETERMINATE RESIDENTIAL SERVICE

Electric service to all residential facilities where the use of electricity in either amount or permanency cannot be determined with assurance.

Examples of "Indeterminate Residential Service" include, but are not limited to: recreational vehicles, barns, garages, workshops, guesthouses, water wells, and electric gates.

#### PERMANENT RESIDENTIAL SERVICE

Electric service to the primary dwelling of a residential Applicant where the amount of electricity to be used can be determined with reasonable assurance.

#### RELOCATION AND CONVERSION OF FACILITIES

Modification of existing facilities and/or Electric Service(s).

## REMOVAL OF FACILITIES

Removal of existing facilities and/or Electric Service(s)

#### **RENTAL LIGHTS**

Area light(s) where the electricity to operate the light will not pass through an Association meter. The Association will be responsible for maintenance of the light except in the case of vandalism or damage caused by a vehicle or other event beyond the reasonable control of the Association.

### SERVICE UPGRADE

Modification of existing facilities and/or Electric Service(s) due to increased demand from additional load that may be made at Applicant's request.

### SUBSTATION SERVICE

The portion of the electrical system that converts transmission voltage (e.g. 46 kV to 345 kV) to primary distribution voltage (e.g. 4.16 kV to 25 kV).

#### TEMPORARY SERVICE

Electric service to projects or enterprises for which, by their nature, the use of electricity may be of a short duration.

Examples of "Temporary Service" include, but are not limited to: construction projects, fairs and circuses.

### TRANSMISSION SERVICE

The portion of the electrical system that is energized at higher voltage levels (in excess of 25 kV).

## II. GENERAL PROVISIONS

A. When an Application is received for Electric Service at a location within the Association's service area, but not currently served by the Association, the Association will classify the Electric Service according to the preceding definitions. A Work Order will be assigned to the service request.

B. If an Application is cancelled subsequent to design and engineering, but prior to construction and connection of Electric Service, the Applicant shall be held liable for all costs incurred by the Association in the performance of such activities.

2/15/2017
Issue Date
4/1/2017
Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. 504 Sheet No. 504

# Line Extension Policy Rules, Regulations or Extension Policy

- C. The Association will allow the Applicant to install certain underground infrastructure upon the following terms and conditions:
  - a. The Applicant may enter into two written contracts with the Association. The first contract will be the "Applicant Installed Infrastructure Agreement" and the second (if required) shall be for Electric Service at the appropriately determined Line Extension Classification.
  - Extension to Substation and/or Transmission Services are not eligible for installation by the Applicant.
  - c. The Applicant will install infrastructure in accordance to the current National Electrical Safety Code, OSHA, Association requirements and other regulatory agencies, being local, state or federal.
  - d. Payment for materials supplied by the Association for the line extension, as outlined within the "Applicant Installed Infrastructure Agreement", and other required fees must be made prior to materials being made available by the Association to the Applicant.
  - e. The Association will energize the line when all requirements have been met by the Applicant.
- D. A Contract will be required if the Line Extension is classified as "Development", "Indeterminate Commercial" or "Substation and/or Transmission". An invoice reflecting the Cost of Construction less any applicable Construction Credit will be supplied for other Line Extension Classifications which require funding by the Applicant.
- E. Engineering Fees
  - a. A minimum fee as described in "Exhibit C- Engineering Fee Schedule" will be collected at the time an Application is submitted; additional fees, as warranted, may be collected until the Work Order has been released for construction.
  - At the discretion of the Association, the Engineering Fee may be credited toward the Cost of Construction.
  - c. If the Applicant requests substantial change to a design, once it is finalized by the Association, the fee will be forfeited and additional fees will be collected to perform the redesign.
  - d. If the Work Order is closed due to inactivity (typically after a year), the fee will be forfeited to the Association.
  - e. "Applicant Installed Infrastructure" fees are non-refundable and will be collected at the time the "Applicant Installed Infrastructure Agreement" is executed.
- F. The location of the Line Extension's point of origin and the route to be followed will be determined solely by the Association.
- G. Boring, trenching, bedding, and backfill for underground systems will be provided by the Applicant per the Association's specifications.
- H. Electric Service will be provided to an Association-owned meter. Installation, ownership, and maintenance of the service wire from the meter to the load location are the responsibility of the Applicant.
- The National Electrical Safety Code specifies certain requirements for the general safety of the public.
   Should any person or party cause the facilities of the Association to be in violation of these requirements, the Association will cause all activity to cease in relation to these violations until remedial action can be taken.
   The cost of the remedial action will be presented to the person or party responsible for payment, and payment must be made before the activity may resume.

2/15/2017	2/15/2017
Date of Board Approval  Title - Chief Executive Officer	Issue Date
This - Chief Exceditive Officer	4/1/2017
Advice Letter No. 84	Effective

name of utility - Deregulated

# <u>Fifth Revised</u> Cancels Fourth Revised

Sheet No. 505 Sheet No. 505

# Line Extension Policy Rules, Regulations or Extension Policy

- J. Single phase primary extensions will be installed underground in those areas where, at the sole discretion of the Association, an overhead line will be subject to increased maintenance costs due to environmental events, tree trimming, raptor protection and other types of maintenance over the years. No overhead single phase primary extension will be installed in an area served by an established underground system unless:
  - a. Mandated by local codes, ordinances, and/or covenants.
  - b. At the sole discretion of the Association, prudent engineering and approved RUS underground design standards cannot be maintained to ensure public safety.
- K. Three phase primary extensions may be installed either underground or overhead as mandated by local codes, ordinances and/or covenants.
- L. If the Association must purchase or condemn right-of-way, it will do so at the expense of the Applicant. Actual expenses associated with the purchase or condemnation of right-of-way, such as, surveying, special archeological or environmental studies and permitting, as well as the estimated expenses for the construction of roads and reclamation of land will be advanced prior to releasing the Work Order for construction; all such costs will be nonrefundable.
- M. The Association will release the Work Order for construction after receipt of the following:
  - a. Payments required from the Applicant in accordance with the classification of the Line Extension.
  - b. An executed written contract for the service, as may be required, and in accordance with the classification of the Line Extension.
  - c. All other necessary permits, easements and required documents pertinent to the Line Extension.
- N. The Association will order material for the Line Extension only after funds required for the Line Extension Classification have been paid by the Applicant, or after a deposit for the estimated cost of materials is made.
  - a. In the event a deposit for materials has been collected from the Applicant and the Line Extension request is terminated by the Applicant prior to installation of the materials, and provided the materials can be returned, the Association will refund the deposit less any costs incurred by the Association as a result of the requisition, including but not limited to, any restocking fees.

### III. EXTENSION TO DEVELOPMENT SERVICES

The Association will extend Development Service to platted subdivisions and/or developments upon the following terms and conditions:

- A. The Applicant will enter into a written Developer's Agreement with the Association for Electric Service to all lots or units of the development. If the local planning authority allows for platting of the development and infrastructure improvement to be accomplished in "phases", the Association may, at its sole discretion, allow for installation of the electrical infrastructure in "phases".
- B. The Association will require 100% of the estimated cost of construction as Advance Payment prior to releasing the Work Order for construction.
- C. As a provision of the Developer's Agreement, all or a portion of the Advance Payment for the extension of Electric Service to a subdivision or development may be refunded to the Applicant.

2/15/2017	2/15/2017
Date of Board Approval  Title - Chief Executive Office	er Issue Date ficer
	4/1/2017
Advice Letter No. 84	Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. <u>506</u> Sheet No. <u>506</u>

# Line Extension Policy Rules, Regulations or Extension Policy

- D. Refunds are conditioned upon design and installation.
- E. If the final design and installation includes all electric facilities up to the point of metering, refunds will be calculated as a "per lot" or "per unit" rebate. The amount of the rebate will be derived by dividing the amount of Advance Payment that is eligible for refund by the number of lots or units to be served by the Line Extension, and is capped by the amount that is established in "Exhibit A". The maximum refundable amount will not exceed the capped amount as established in "Exhibit A" times the number of lots or units which include metering points.
- F. "Per lot" or "per unit" Construction Rebates will be initiated upon receipt of a Certificate of Occupancy and permanent connection of a qualifying service within the development, provided the date of permanent connection occurs during the original contract period as established in the Developer's Agreement.
- G. In areas where Certificates of Occupancy are not issued, the Association will initiate Construction Rebates when notified of the completion and permanent connection of a qualifying permanent residence within the development, provided the date of permanent connection occurs during the original contract period as established in the Developer's Agreement.
- H. No rebates will be made after expiration of the original contract period as established in the Developer's Agreement, and any remaining balance of the Advance Payment will revert permanently to the Association.
- Only one rebate will be made per original lot or unit. Rebates will not be issued for lots/units created by subsequent resubdivision.
- J. If the final design and installation does not include metering points, the Advance Payment will be non-refundable and ineligible for Construction Rebates or Credits.
- K. If, as long as no accounts have been connected to the Line Extension, thus, allowing for removal of the Line Extension, the request for Electric Service is withdrawn by the Applicant before expiration of the Developer's Agreement, severance charges may be assessed by the Association, and any un-refunded portion of the Advance Payment will be retained to defray the cost of removal of the Line Extension. Value of salvageable material may be allowed as credit to the cost of removal.

#### IV. DISTRIBUTIVE GENERATION SYSTEM INTERCONNECTION

The Association will extend infrastructure for connection from a "Distributive Generation System" upon the following terms and conditions:

- A. The Applicant will receive a written estimate of the Cost of Construction for the Line Extension,
- B. The Association will require 100% of the estimated Cost of Construction as non-refundable Advance Payment prior to releasing the Work Order for construction.
- C. Line Extensions connecting the Distributive Generation System to Association infrastructure are not eligible for Construction Credits or Rebates.

2/15/2017
Date of Board Approval

Signature of Issuing Officer
Title - Chief Executive Officer

Advice Letter No. 84

2/15/2017
Issue Date

4/1/2017
Effective

name of utility - Deregulated

# <u>Fifth Revised</u> Cancels Fourth Revised

Sheet No. <u>507</u> Sheet No. <u>507</u>

# Line Extension Policy Rules, Regulations or Extension Policy

# V. EXTENSION TO INDETERMINATE COMMERCIAL SERVICES(OF LESS THAN 10 MEGAWATTS IN CAPACITY)

The Association will extend Indeterminate Commercial Service to the Applicant where the required Electric Service is of less than ten (10) megawatts in capacity upon the following terms and conditions:

- A. The Applicant will enter into a written Indeterminate Commercial Agreement with the Association for Electric Service at the applicable rate schedule.
- B. The Association will require 100% of the estimated cost of construction as Advance Payment prior to releasing the Work Order for construction.
- C. The Association, at its sole discretion, may provide for a refund of the Advance Payment. "Exhibit B Guidelines for Refunds of Indeterminate Service Classifications" describes the Association's method in determining whether or not a refund will be provided.
- D. If it is determined by the Association that a refund of the Advance Payment will not be made, in addition to the Advance Payment, the Applicant will be assessed a fee to cover the cost of future retirement of the Line Extension.
- E. If a refund of the Advance Payment is going to be made, it will be calculated at the end of the agreement's anniversary month. The refund will be one-tenth (1/10) of the revenue received by the Association as derived from the electric service under the agreement. However, the refund will not be greater than one-tenth (1/10) of the original Advance Payment. No refunds will be made after ten (10) years, and any remaining Advance Payment will revert permanently to the Association to defray any installation or removal costs. Refunds will not be made on that portion of the costs associated with expenses outlined in Section II. L. (right-of-way acquisition and permitting costs).
- F. In cases where the Advance Payment is an amount which would not be within the best interests of the Association to administer refund tracking over the 10 year term of the Indeterminate Commercial Agreement, the Association, at its sole discretion, may refund the Advance Payment, or any remaining portion thereof, prior to expiration of the Indeterminate Commercial Agreement.
- G. If, at the Applicant's request, the Electric Service is terminated before expiration of the Indeterminate Commercial Agreement, severance charges may be assessed by the Association, and any un-refunded portion of the Advance Payment will be retained to defray the cost of removal of the Line Extension. Value of salvageable material may be allowed as credit to the cost of removal.

# VI. EXTENSION TO INDETERMINATE COMMERCIAL SERVICES (OF 10 MEGAWATTS OR GREATER CAPACITY)

The Association will extend Indeterminate Commercial Service to the Applicant where the required Electric Service is of ten (10) megawatts or greater capacity upon the following terms and conditions:

A. The Applicant will enter into a written contract with the Association rate schedule.	n for Electric Service at the applicable
2/15/2017	2/15/2017
Date of Board Approval  Title - Chief Executive Officer	Issue Date
	4/1/2017
Advice Letter No. <u>84</u>	Effective

name of utility - Deregulated

# <u>Fifth Revised</u> Cancels Fourth Revised

Sheet No. 508 Sheet No. 508

# Line Extension Policy Rules, Regulations or Extension Policy

- B. The Association will require an Advance Payment from the Applicant. The amount and schedule of Advance Payment will be determined through "project-specific" negotiation between the Applicant and the Association.
- C. The Association, at its sole discretion, may provide for refund of the Advance Payment. If it is determined by the Association that a refund will be made, the amount and terms for such refund will be defined in a separate contract to be executed between the Applicant and the Association.
- D. When the Work Order is closed, a final reconciliation of all costs of construction will be performed. In the event that the Advance Payment exceeds the final cost accounting, the Association will refund the difference. In the event that the costs of construction exceed the amount of the Advance Payment, the Association will invoice the Applicant for the difference.
- E. If, at the Applicant's request, the Electric Service is terminated before expiration of the negotiated contract, severance charges may be assessed by the Association, and any un-refunded portion of the Advance Payment will be retained to defray the cost of removal of the Line Extension. Value of salvageable material may be allowed as a credit to the cost of removal.

# VII. EXTENSION TO INDETERMINATE RESIDENTIAL SERVICE

The Association will extend "Indeterminate Residential Scrvice" to the Applicant upon the following terms and conditions:

A. The Applicant will receive a written estimate of the Cost of Construction for the Line Extension which, upon signing by the Applicant, will serve as agreement for Electric Service at the applicable rate schedule. The Association will require 100% of the estimated Cost of Construction as non-refundable Advance Payment prior to releasing the Work Order for construction.

# VIII. EXTENSION TO PERMANENT RESIDENTIAL SERVICES

The Association will extend Permanent Residential Service to the Applicant upon the following terms and conditions:

- A. The Applicant will receive a written estimate of the Cost of Construction for the Line Extension which, upon signing by the Applicant, will serve as agreement for Electric Service at the applicable rate schedule.
- B. The Association will require 100% of the estimated Cost of Construction less any applicable Construction Credit, as described in "Exhibit A", as Advance Payment prior to releasing the Work Order for construction.
- C. If the Applicant purchases and installs an ElectricThermal Storage (ETS) heating system, the estimated Cost of Construction and subsequent Advance Payment will include only the cost to install a 200 Amp service. The difference in cost between the 200 Amp service and a comparable service of sufficient capacity to serve the increased electrical demand of the ETS installation will be funded by the Association.

2/15/2017	2/15/2017
Date of Board Approval  Signature of Issuing Officer  Title - Chief Executive Officer	Issue Date
	4/1/2017
dvice Letter No. <u>84</u>	Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. 509 Sheet No. 509

# Line Extension Policy Rules, Regulations or Extension Policy

### IX. RELOCATION AND CONVERSION OF FACILITIES

The Association will review any need for relocation of existing facilities, voltage/phase changes and/or the conversion of any existing facilities from overhead to underground or vice-versa upon the following terms and conditions:

- A. If modification is at the Applicant's request or is required as a result of activities of the Applicant, as outlined in Section II.- I., the Applicant will receive a written estimate of the Cost of Construction.
- B. Relocations and/or conversions are not eligible for Construction Credits or Rebates.
- C. The Association will require 100% of the estimated Cost of Construction as non-refundable Advance Payment prior to releasing the Work Order for construction.

# X. REMOVAL OF FACILITIES

The Association will review any request for removal of existing facilities.

- A. The Association will require 100% of the estimated cost of removal as non-refundable Advance Payment prior to releasing the Work Order for removal.
- B. Removal of Facilities are not eligible for Construction Credits or Rebates.

### XI. RENTAL LIGHTS - (Area Lighting - Private Owner Applications)

B. The Applicant will submit a lighting plan that my

The Association will extend service to the Applicant for a rental light(s) intended to light an area other than public roadways, pedestrian walkways and other commercial applications upon the following terms and conditions:

- A. The Applicant will enter into a written Rental Light Agreement with the Association for rental light(s) at the applicable rate schedule.
- B. The Association will require 100% of the estimated Cost of Construction (less the cost of material and labor for the pole, light arm and light fixture) as non-refundable Advance Payment prior to releasing the Work Order for construction.

### XII. RENTAL LIGHTS - (Road/Pedestrian Way Lighting & Commercial Applications)

The Association will extend service to the Applicant for a rental light(s) or lighting circuit intended to light areas such as public roadways, pedestrian walkways and other commercial applications upon the following terms and conditions:

A. The Applicant will enter into a written Rental Light Agreement with the Association for rental light(s) at the applicable rate schedule.

2/15/2017 2/15/2017 Date of Board Approval Signature of Issuing Officer Issue Date Title - Chief Executive Officer

Advice Letter No. 84

4/1/2017

regulatory requirements to the Association.

Effective

name of utility - Deregulated

# <u>Fifth Revised</u> Cancels Fourth Revised

Sheet No. 510 Sheet No. 510

# Line Extension Policy Rules, Regulations or Extension Policy

C. The Association will require 100% of the estimated Cost of Construction (including the cost of material and labor for the pole, light arm and light fixture) as non-refundable Advance Payment

## XIII. SERVICE UPGRADE

The Association will upgrade an existing Residential or Commercial Electric Service upon the following terms and conditions:

- A. Upgrade to the Electric Service is limited to a transformer, secondary conductor and metering equipment that would normally be supplied by the Association.
- B. Modification of primary voltage lines serving the transformer will not be included and will be considered "Relocation and Conversion of Facilities" as described in Section IX.
- C. Requests for voltage/phase changes are not considered service upgrade and will be considered "Relocation and Conversion of Facilities" as described in Section IX.
- D. The Electric Service to be upgraded must have been continuously connected, also, registering consistent usage (for purposes other than construction) for not less than 12 months previous to the request.
- E. The Applicant must provide supporting documentation with the request for Service Upgrade that demonstrates sufficient increased electrical demand from additional load to justify service upgrade.
- F. If the Applicant purchases and installs an Electric Thermal Storage (ETS) heating system, the Association will waive the requirement outlined in D. above.
- G. Service upgrade to a qualifying existing "Permanent Residential Service" will be funded by the Association.
- H. If, at the Applicant's request, the existing service to a qualifying "Indeterminate Commercial Service", is upgraded before expiration of the original Indeterminate Commercial Agreement, a new Indeterminate Commercial Agreement will be executed to include the remaining refundable amount of the original deposit plus the estimated cost to upgrade the service.
- The Association will require 100% of the estimated cost of upgrade as Advance Payment prior to releasing the Work Order for construction.
- J. Refund of the Advance Payment plus the remainder of the refundable amount of the original deposit will be as outlined in Section V.

## XIV. EXTENSION TO SUBSTATION AND/OR TRANSMISSION SERVICES

The Association will extend Substation and/or Transmission Service w	here, due to location and/or electrical
demand, as determined by the Association, it is warranted:	

A. The Applicant will enter into a written Substation Transmission Service Agreement with the Association.

2/15/2017	2/15/2017
Date of Board Approval  Signature of Issuing Officer  Title - Chief Executive Officer	Issue Date
Title - Chief Exceutive Officer	4/1/2017
Advice Letter No84	Effective

name of utility - Deregulated

# Fifth Revised Cancels Fourth Revised

Sheet No. <u>511</u> Sheet No. <u>511</u>

# Line Extension Policy Rules, Regulations or Extension Policy

- B. The Association will require an Advance Payment from the Applicant. The amount and schedule of Advance Payment will be determined through "project-specific" negotiation between the Applicant and the Association.
- C. The Association, at its sole discretion, may provide for refund of the Advance Payment. If it is determined by the Association that a refund will be made, the amount and terms for such refund will be defined in a separate contract to be executed between the Applicant and the Association.
- D. When the Work Order is closed, a final reconciliation of all costs of construction will be performed. In the event that the Advance Payment exceeds the final cost accounting, the Association will refund the difference. In the event that the costs of construction exceed the amount of the Advance Payment, the Association will invoice the Applicant for the difference.
- E. If, at the Applicant's request, the Electric Service is terminated before expiration of the Substation/
  Transmission Service Agreement, severance charges may be assessed by the Association, and any unrefunded portion of the Advance Payment will be retained to defray the cost of removal of the Line
  Extension. Value of salvageable material, as determined by the Association may be allowed as a credit to
  the cost of removal.

#### XV. EXTENSION TO TEMPORARY SERVICES

The Association will extend Temporary Service to the Applicant upon the following terms and conditions:

- A. The Applicant will receive a written estimate of the Cost of Construction for the Line Extension which, upon signing by the Applicant, will serve as agreement for Electric Service at the applicable rate schedule.
- B. Extensions to Temporary Services are not eligible for Construction Credits or Rebates.
- C. The Association will require 100% of the estimated cost of installation and removal (less the value of salvageable material) as non-refundable Advance Payment prior to releasing the Work Order for construction.

2/15/2017

Date of Board Approval

Title - Chief Executive Officer

Advice Letter No. 84

2/15/2017

Issue Date

4/1/2017

Effective

# Exhibit A - Construction Credit/Rebate Calculation Example

CONSTRUCTION CREDIT is based upon the following formula: Revenue less the Sum of the Cost of Purchased Power, Customer Expenses, Administrative and General Expenses, and Return divided by the Plant Factor. The Return is defined as the minimum required to meet RUS Operating TIER requirements. The Plant Factor is defined as being a fixed charge rate that includes the O&M, Depreciation, Taxes and Interest as a percent of Plant. The above formula will be computed using Residential data from the most recent Cost of Service Study.

Data obtained from the 2006 Cost of Service Study

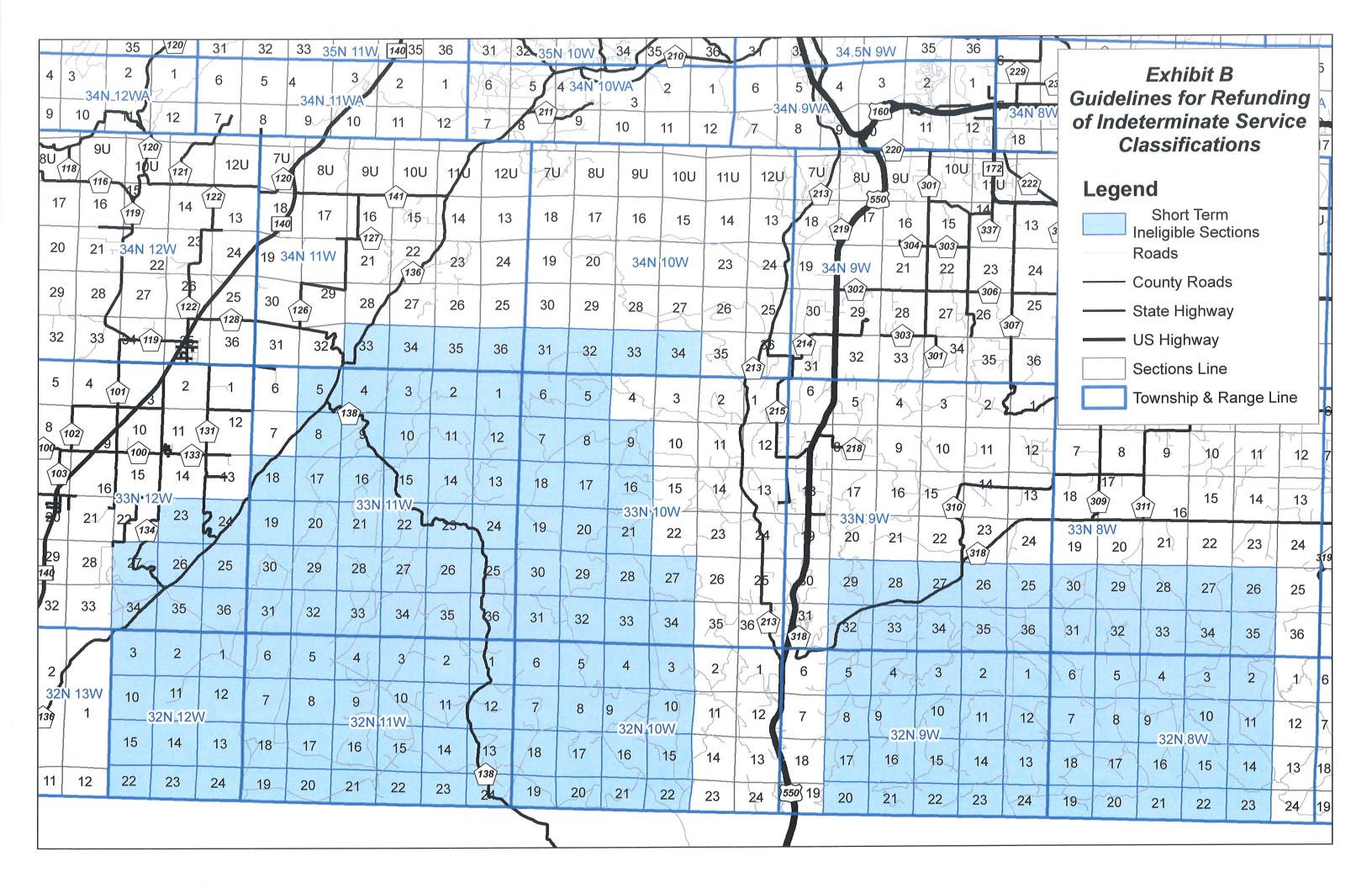
Total number of residential customers: 35,623

		TOTAL RESIDENTIAL	ANNUAL COST PER CUSTOMER
1.0	Residential Revenue:	\$25,387,151	\$713
<ol> <li>3.</li> <li>4.</li> <li>6.</li> <li>7.</li> </ol>	Residential Cost of Purchased Power: Residential Customer Expenses: Residential Administrative and General: Residential Return: Total (Sum 2 to 5) Difference (1-6)	\$13,883,378 \$2,522,315 \$1,621,327 <u>\$253,380</u> \$18,134,400 \$7,106,751	\$390 \$71 \$46 <u>\$7</u> \$514 \$199
8. 9. 10. 11.	PLANT FACTOR  Residential Operation and Maintenance: Residential Depreciation: Residential Interest: Total (Sum 8 to 10)	4.5% 2.9% 6.0% 13.3%	4.5% 2.9% <u>6.0%</u> 13.3%
12.	CONSTRUCTION CREDIT (item 7 divided by item 11)	\$53,434,218	\$1,500

# Exhibit B – Guidelines for Refunding of Indeterminate Service Classifications

As a guideline, the following Townships, Ranges and Sections are areas where a refund will not typically be made for Indeterminate Commercial Service classifications. To receive a refund in these areas, the Applicant must provide evidence to the Association, that the Line Extension is intended for long term commercial use. Upon being provided with evidence of a long term use of the Line Extension, the Association will determine whether or not a refund will be made available. The Association intends to only provide refunds to Indeterminate Commercial Services when the service and its electrical infrastructure are expected to be used by the Applicant or other members of the Association beyond 30 years.

32.09w.20	32.09w.17	32.09w.08	32.09w.05	33.09w.32	33.09w.29	
32.09w.21	32.09w.16	32.09w.09	32.09w.04	33.09w.33	33.09w.28	
32.09w.22	32.09w.15	32.09w.10	32.09w.03	33.09w.34	33.09w.27	
32.09w.23	32.09w.14	32.09w.11	32.09w.02	33.09w.35	33.09w.26	
32.09w.24	32.09w.13	32.09w.12	32.09w.01	33.09w.36	33.09w.25	
32.08w.19	32.08w.18	32.08w.07	32.08w.06	33.08w.31	33.08w.30	
32.08w.20	32.08w.17	32.08w.08	32.08w.05	33.08w.32	33.08w.29	
32.08w.21	32.08w.16	32.08w.09	32.09w.04	33.08w.33	33.08w.28	
32.08w.22	32.08w.15	32.08w.10	32.09w.03	33.08w.34	33.08w.27	
32.08w.23	32.08w.14	32.08w.11	32.09w.02	33.08w.35	33.08w.26	
32.12w.22	32.12w.15	32.12w.10	32.12w.03	33.12w.34	33.12w.27	
32.12w.23	32.12w.14	32.12w.11	32.12w.02	33.12w.35	33.12w.26	33.12w.23
32.12w.24	32.12w.13	32.12w.12	32.12w.01	33.12w.36	33.12w.25	33.12w.24
32.11w.19	32.11w.18	32.11w.07	32.11w.06	33.11w.31	33.11w.30	33.11w.19
32.11w.20	32.11w.17	32.11w.08	32.11w.05	33.11w.32	33.11w.29	33.11w.20
32.11w.21	32.11w.16	32.11w.09	32.11w.04	33.11w.33	33.11w.28	33.11w.21
32.11w.22	32.11w.15	32.11w.10	32.11w.03	33.11w.34	33.11w.27	33.11w.22
32.11w.23	32.11w.14	32.11w.11	32.11w.02	33.11w.35	33.11w.26	33.11w.23
32.11w.24	32.11w.13	32.11w.12	32.11w.01	33.11w.36	33.11w.25	33.11w.24
32.10w.19	32.10w.18	32.10w.07	32.10w.06	33.10w.31	33.10w.30	33.10w.19
32.10w.20	32.10w.17	32.10w.08	32.10w.05	33.10w.32	33.10w.29	33.10w.20
32.10w.21	32.10w.16	32.10w.09	32.10w.04	33.10w.33	33.10w.28	33.10w.21
32.10w.22	32.10w.15	32.10w.10	32.10w.03	33.10w.34	33.10w.27	
33.11w.18						ľ
33.11w.17	33.11w.08	33.11w.05				
33.11w.16	33.11w.09	33.11w.04	33.11w.33			
33.11w.15	33.11w.10	33.11w.03	33.11w.34			
33.11w.14	33.11w.11	33.11w.02	33.11w.35			
33.11w.13	33.11w.12	33.11w.01	33.11w.36			
33.10w.18	33.10w.07	33.10w.06	33.10w.31			
33.10w.17	33.10w.08	33.10w.05	33.10w.32			
33.10w.16	33.10w.09	23.1011.03	33.10w.33			
20.1010	33,1011.03	<del> </del>	33.10w.34			



# Exhibit C – Engineering Fee Schedule

Residential	
Permanent Residential Service	Minimum of
Indeterminate Residential Service	\$300 per Application*
Rental Light (Private Owner)	
Commercial	
Indeterminate Commercial Service < 10 Megawatts	Minimum of
Rental Lights (Commercial Applications)	\$500 per Application*
Temporary Service	
Mineral Extraction or Transportation	
Minimum of \$2500 per a	pplication*
Development Service	
Minimum of \$500 per lot u	p to \$5000*
Modification of Existing Facilities	
Relocation	Minimum of
Conversion	\$500 per Application*
Service Upgrade	
Indeterminate Commercial Service ≥ 10 Megawatts	
Minimum of \$5000 per A	pplication*
Substation and/or Transmission Service	
Minimum of \$5000 per Ap	pplication *
Applicant Installed Infrastructure	
Inspection Fee	Minimum of \$500 per Application*
Re-inspection Fee	Minimum of \$500 per re-inspection

<sup>\*</sup> Additional fees, as warranted, may be collected until the Work Order has been released for construction.