

7.0 CONSTRUCTION POLICY

7.1 GENERAL

This section of the Rules and Regulations sets forth the terms and conditions under which the Cooperative will construct and extend its facilities to serve new loads and replace, relocate or otherwise modify its facilities to the benefit of the specific members.

The Cooperative will render service to all members within its service area who apply for membership in and service from the Cooperative in accordance with these Rules and Regulations applicable to the extension to be made under the class of service required. The extension route and type of construction are to be selected by the Cooperative and will be based on provisions of these Rules and Regulations.

For purposes of land developments, the extension to the development will be considered as if the development was one consumer under the terms of Section 7.2. The extension rules for within land developments are in accordance with the terms of Section 7.3.

For each location where electric service is desired, an applicant's line extension type involves an evaluation of the following:

- A. Type of installation and its expected use;
- B. Frequency and duration of the use of the installation; and
- C. Energy consumption which may be expected.

Applicant's line extension type shall be determined by the Cooperative at its sole discretion. In the event the line extension type assigned by the Cooperative is incorrect based on applicant's subsequent actual use of the installation and/or usage of energy, the Cooperative may alter applicant's classification and apply the correct line extension type, making appropriate adjustment to the applicant's account or billing, including payment of contribution in aid of construction.

Applicant will be required to pay an Engineering Fee for field or in-office engineering and clerical work to prepare cost estimates, staking sheets or any other documentation necessary for construction. The Engineering Fee must be received before engineering will be scheduled or documentation will be prepared. Any documentation created will be held by the Cooperative for 12 months.

The Engineering Fee will be applied to the work order, but is non-refundable after staking sheets, cost estimates, easements or any other related documentation associated with the proposed construction has been created. The Engineering Fee is listed in Appendix A – Schedule of Fees and Deposits.

7.2 GENERAL EXTENSION POLICY

7.2.1 SINGLE PHASE SERVICE

The Cooperative will extend single phase service along an approved route (see Section 7.2.8). The applicant will be required to pay an aid to construction consisting of a minimum charge and a price per foot as provided in Appendix A – Schedule of Fees and Deposits. Allowances may be given according to the following types:

A. Permanent - Year Around

1. To qualify as an extension under this section, the location must be considered Permanent as defined in Section 1.4, must be occupied on a year round basis, and must exceed the Minimal Use definition as defined in Section 1.4.
2. There will be no charge for the first \$1,000 of the cost of constructing the extension. The applicant shall be required to pay as aid to construction the estimated cost of the extension in excess of \$1,000.
3. There will be a 12-month contract term required for this line extension type.

B. Non-Permanent, Seasonal and Minimal Use

1. To qualify as an extension under this section, the location must be considered non-permanent under section 7.2.3, or Minimal Use or Seasonal as defined in Section 1.4.
2. The applicant shall be required to pay as aid to construction the entire estimated cost of the extension.
3. There will be no contract term required under this line extension type.

The applicant will pay all out of ordinary costs such as, but not limited to road crossings, directional boring, right-of-way clearing, frost charges, engineering consulting expense, temporary connections, meter pedestals, etc.

7.2.2 THREE PHASE SERVICE

- #### A. Allowed Extension - The Cooperative will extend three-phase service along an approved route (see Section 7.2.8). The applicant will be required

to pay an aid to construction equal to the actual construction cost less an applicable construction allowance calculated using projected energy usage and load characteristics.

Allowances will not be granted to services that are not permanent in nature and are not operated on a year round basis.

- B. Adjustments – If energy usage and load characteristics provided by the applicant are inaccurate, the Cooperative reserves the right to make adjustments to the construction allowance.

7.2.3 LOADS OF MINIMAL USE OR QUESTIONABLE PERMANENCE

Services to properties not meeting all four (4) of the following criteria will be considered non-permanent:

- A. Property is owned in deed by the service applicant.
- B. Structure is connected to a pressure water system.
- C. Structure is connected to a sewer system.
- D. Structure is a:
 - 1. Building with a minimum of 600 square foot area and the building foundation consists of one of the following:
 - a. Cement slab
 - b. Cement block wall at least two (2) blocks high
 - c. Poured cement wall comparable to (2) blocks high
 - d. Approved basement
 - e. Approved treated wood pilings
 - 2. Or a mobile home or trailer permanently attached to a cement slab or a cement block wall at least two blocks high or a comparable poured cement wall or minimum of eight (8) concrete pilings, a minimum of eight (8) inches in diameter reinforced and at least 4 ½ feet below grade level.

Services to properties for purposes such as, but not limited to, saw mills, mixer plants, pivot systems and gravel pits will be considered not permanent.

7.2.4 OUTDOOR LIGHTING

The Cooperative will install, own and upon notification by the member of failure, repair outdoor lighting for its members on existing poles where secondary voltage is available. They shall be connected on the Cooperative's side of the meter. Additional facilities required for installation of the outdoor lighting will be paid for by the member.

Fees for outdoor lighting are in accordance with Outdoor Lighting Service - Schedule SL.

7.2.5 TEMPORARY SERVICE FOR CONSTRUCTION

The Cooperative will construct an extension of its overhead or underground distribution system for the purpose of providing temporary service. The applicant desiring temporary service shall be required to pay in advance as aid to construction the actual cost of construction and removal less estimated salvage value.

All temporary service facilities shall be constructed in accordance with the NEC (National Electric Code), Cooperative specifications, and state and federal regulations.

7.2.6 SERVICE ENTRANCE

The normal single phase service entrance shall be a 200 amp metering pedestal installed at a location determined by Cooperative personnel (see Section 2.2.3). The Cooperative will make available and provide for installation of an approved metering pedestal. The pedestal will be billed to the applicant at the Cooperative's cost plus installation labor.

Multi-phase or services greater than the 320 amp single phase service will require special metering and the Cooperative will set the specifications and location for such equipment.

7.2.7 RELOCATIONS, CONVERSIONS AND UPGRADES

When the Cooperative is requested to relocate its facilities, convert an overhead line to underground, or install conductor and equipment necessary to increase capacity, any expense involved will be paid by the firm, person or persons making such request, unless one or more of the following conditions are met:

- A. The relocation, conversion or upgrade is made for the convenience of the Cooperative.

- B. The relocation, conversion or upgrade will result in a substantial improvement in the Cooperative facilities or their location.
- C. The relocation, conversion or upgrade is associated with other regularly scheduled construction work and can be done at the same time.

Should such condition(s) exist, the Cooperative may, at its sole discretion on a case-by-case basis, apply a credit, as determined by the Cooperative, to the total project cost based on the overall benefit to the Cooperative.

7.2.8 RIGHT-OF-WAY, ROUTING AND CONSTRUCTION OBSTACLES

- A. Right-of-Way - The applicant shall provide a clear right-of-way in accordance with the Cooperative's specifications, and shall secure any right-of-way easements necessary for the Cooperative to extend service to the applicant's property.
- B. Routing - The Cooperative reserves the right to select the extension route and determine whether construction is to be overhead or underground. The length of a distribution line extension will be measured along an approved route from the Cooperative's nearest facilities from which the extension can be made to the applicant's point of service. An approved route is a route determined to be suitable for line construction or to be likely useful in serving other members of the Cooperative.

Should the Cooperative for its own reasons choose a longer route, the applicant will not be charged for the additional distance. However, if the applicant requests special routing of the line, the applicant will be required to pay the extra cost resulting from the special routing.

- C. Construction Obstacles - Where unusual construction costs are incurred by the Cooperative due to physical obstacles such as, but not limited to, rock, surface water, frost, other utility facilities, heavy concentration of tree roots, or roadway crossing, the applicant(s) shall pay the estimated cost of constructing through the impediment or may remove the impediment.

7.2.9 UNDERGROUND OR OVERHEAD CONSTRUCTION

The Cooperative may install underground or overhead primary or secondary facilities at its discretion or upon request of the applicant if such installation is determined reasonably feasible as determined by the Cooperative. If the applicant should desire overhead construction after the Cooperative has determined underground to be appropriate, a new cost estimate will be provided to the applicant.

The Cooperative reserves the right to refuse to install facilities either underground or overhead in cases where, in the Cooperative's opinion, such construction is technically not feasible or where it could present a potential detriment of service to other members.

7.3 LAND DEVELOPMENTS

The Cooperative will install an underground electric distribution system in all new residential housing sites, mobile home parks, commercial or industrial building sites in cooperation with the developer or owner evidenced by signed agreement and in compliance with the following specific conditions:

- A. The Cooperative will furnish, install, own and maintain the entire underground electric distribution system including the service laterals for new one and two family residential subdivisions. Installation of the primary and/or secondary cable with associated equipment to provide service to the lot line of each lot in the subdivision will be covered by the agreement with the developer. Arrangements for service laterals will be made with the party requesting service.
- B. Prior to start of construction the developer or owner shall agree to advance to the Cooperative an extension fee based on Section 7.2.1 for single-phase service or 7.2.2 for three-phase service.
- C. The developer or owners must provide for recorded easements or right-of-way acceptable to the Cooperative. Easements are to be coordinated with other utilities and will include easements for street lighting cable.
- D. Prior to the start of construction the developer or owner shall provide a clear right-of-way and establish grades in the easement right-of-way which shall be not more than four (4) inches above or below the finished grade and shall remove all trees, stumps or other obstructions within, on or about the right-of-way for the installation of the system. Prior to the construction the developer or owners shall mark all lot corners and right-of-way routes as requested by the Cooperative.
- E. The trenches for primary and/or secondary cables may be occupied jointly by facilities of the Cooperative and other utilities where satisfactory arrangements exist between the Cooperative and the other utilities.
- F. The developer or owner will be responsible for all costs of relocating Cooperative facilities to accommodate changes in grade or other changes after the underground facilities have been installed and is also responsible for any damage to Cooperative facilities caused by his operation or the operations of his contractors. The cost involved will include overheads and the cost for relocation

or rearrangement of facilities whether specifically requested by the developer or owner or due to the facilities becoming endangered by a change in grade as determined by the Cooperative.

- G. The developer of a new residential subdivision shall cause to be recorded with the plat of the subdivision a public utility easement approved by the Cooperative for the entire plat. Such easement shall include a legal description of areas within the plat which are dedicated for utility purposes, and also other restrictions as shall be determined by the Cooperative for construction, operation, maintenance and protection of its facilities.

7.4 MISCELLANEOUS GENERAL POLICIES

Except where specifically designated as overhead or underground construction policies, the following general policies will be applied to either overhead or underground construction.

7.4.1 EASEMENTS AND PERMITS

Where suitable easements do not exist, the Cooperative will provide the necessary easement forms, and solicit their execution. The applicant(s), as a condition of service, will be ultimately responsible for obtaining all easements and permits as required by the Cooperative, for construction, operation, maintenance and protection of the facilities to be constructed. Where State or Federal lands are to be crossed to extend service to an applicant or group of applicants, the additional costs incurred by the Cooperative for rights-of-way and permit fees shall be borne by the applicant(s).

7.4.2 MOVING OF BUILDINGS OR EQUIPMENT

Where the Cooperative is requested to assist in the moving of buildings or equipment through, under or over the Cooperative's distribution lines, the Cooperative will require a deposit from the mover in advance of providing such assistance. The amount of the deposit required will be based upon the Cooperative's estimate of the probable cost. Upon completion of moving assistance, the Cooperative will determine the actual costs and will bill or credit the mover according to the difference between the actual costs and the deposit.

7.4.3 RELOCATION OF FACILITIES ALONG ROADWAYS

- A. The Cooperative will cooperate with political subdivisions in the construction, improvement or rehabilitation of public streets and highways. It is expected that the Cooperative will receive reasonable notice so that any required relocation work can be properly scheduled.

- B. If the Cooperative's poles, anchors or other appurtenances are located within the confines of the public right-of-way, the Cooperative will make the necessary relocation at its own expense.
- C. If the Cooperative's poles, anchors or other appurtenances are located outside the public right-of-way or on private property, the political subdivision must agree in advance to reimburse the Cooperative for any expenses involved in relocating its facilities.

7.4.4 CONSTRUCTION SCHEDULES

Scheduling of construction shall be done after all necessary fees, deposits and executed forms including an electrician's affidavit of electrical work has been received by the Cooperative.

7.4.5 DESIGN OF FACILITIES

The Cooperative reserves the right to make final determination of selection, application, location, routing and design of its facilities. Where excess construction costs are incurred by the Cooperative at the request of the applicant, the applicant may be required to reimburse the Cooperative for such excess costs.

7.4.6 BILLING

For applicants who fail to take or connect service 30 days after an extension, upgrade, or conversion has been completed to the premises, the Cooperative shall commence billing the applicant under the Cooperative's applicable rates and rules for the type of service requested by the applicant.