



POLICY

SUBJECT: Line Extensions for New Services

POLICY: It shall be the policy of the Cooperative to have descriptive and specific procedures and practices relating to the treatment of new service requests, including associated fees the Cooperative will charge for various services.

PROCEDURE: The following is a summary of the requirements and costs associated with line extensions to new services. The Cooperative may have additional requirements.

- I. Pre-Design: Pertains to when DCEC is contacted to provide an estimate for the cost of providing electric service to a new service location.
Applicant required to:
 - a. Complete application and agreement for electric service
 - b. Pay in advance a non-refundable application/site visit fee of \$150.00

Upon the applicant completing the above requirements, a meeting at the site will be scheduled with the applicant and Cooperative personnel to assess the site and gather necessary information to allow the Cooperative to develop a plan for providing service and determine the cost to the applicant.

- II. Pre-Construction: Pertains to when an applicant has notified the Cooperative of their desire to have the Cooperative proceed with the construction to the new service location.
Applicant required to:
 - a. Sign the Cooperative's standard right-of-way easement agreement
 - b. Complete and sign a membership agreement or connect contract
 - c. Pay all fees and charges (as noted herein). The Cooperative charges a fixed price for line extensions for new services. If actual construction costs exceed the Cooperative's estimated costs for reasons other than inaccurate or incomplete information provided by the member to the Cooperative, then no additional payments related to cost over-runs are required of the member. Likewise, if actual construction costs are lower than the Cooperative's estimated costs, no refunds are paid by the Cooperative to the member. If new information becomes available to the Cooperative or the member prior to construction of the line extension and that new information would likely impact the estimated cost of construction, then the party with the new information must provide the information to the other party as soon as reasonably practical. The Cooperative, at its sole discretion, may

decide to re-estimate the cost of construction based on such new information. The member may elect to pay the newly estimated cost of construction or stop work on the project and receive a refund of any aid to construction that they have paid already (refund excludes non-refundable fees such as site visit fees). Wire lengths used in estimated costs shall be based on field measurements performed by the Cooperative's staff and shall include the length of secondary wires running from the Cooperative's transformer to a weatherhead above a pole-mounted meter (often referred to as a "secondary loop") or the weatherhead above a meter on a home or other structure.

- d. Provide wiring inspection on service entrance – refer to specification for type of secondary service installation - meter base to be purchased at the Cooperative or at a third party vendor.
- e. Pay for other related permit and acquisition costs related to project.

If a return design trip is required, there will be an additional charge of \$150.00. Upon completion of the above requirements, the Operations Department shall schedule the construction of the new service.

III. General Construction Requirements

The Cooperative shall have the exclusive right to determine route and method of construction. The Cooperative will determine whether primary underground installations are possible after November 1st. Underground trench excavation and/or conduits are provided by Member. Electric service lines and equipment installed by the Cooperative will remain the property of the Cooperative.

In most cases, new electric service to a member location requires a distribution transformer, which steps the voltage down from primary distribution voltage (either 7,200 Volts or 14,400 Volts) to house voltage (120/240 Volts). The transformer may be pole mounted in the case of overhead service to the home or pad mounted within a small vault at ground level in the case of underground service to the home. In either case, accessibility to the transformer by Cooperative crews with their equipment aids in safe and reliable service to the member.

The applicant shall agree to accommodate a distribution transformer pole or distribution transformer vault location that, in the judgement of the Cooperative's System Coordinator, is reasonably accessible to Cooperative equipment including bucket trucks. Recognizing that transformer poles and transformer vault locations that are accessible to bucket trucks add to the safety and reliability of the electric system, the applicant shall pay the reasonable cost of placing the transformer pole or transformer vault in such a location or shall otherwise pay for the cost to

make the location accessible by means such as extending a driveway, removing trees, etc. The Cooperative's System Coordinator shall have the responsibility and authority to determine what steps are reasonable and practical, on a case by case basis, in an effort to make the transformer pole or transformer vault accessible.

Applicant required to:

- a. Pay additional fees such as \$55.00 easement recording fees
- b. Pay incremental costs if applicant requests and the Cooperative approves an alternate method or route of construction.
- c. Pay relocation costs if applicant requests relocation of existing facilities
- d. Sign security light agreement, if applicable
- e. Reapply if the project does not proceed within 24 months.

IV. Single Phase Primary Overhead Line extension charges (applicable to all rate classes)

- a. Construction Fee/Footage: 0 to 200 feet – one pole or less – no cost
- b. Construction Fee/Footage: 200 feet and up - \$18.00 per foot
- c. Rock blasting, tree clearing, multiple riser poles, multiple transformers, and other extraordinary costs will be over and above the stated costs in a or b above. Extraordinary costs are charged to the member based on estimated time and materials.
- d. Construction Fee/Footage for structures such as campers, signs, wells, storage buildings, personal garages, telephone and cable repeaters, temporary service, etc.
 - 0 to 50 feet – no cost – no poles included
 - 50 feet and up - \$18.00 per foot – includes primary pole if needed but not meter pole

V. Multi-Phase Primary Overhead Line extension charges (applicable to all rate classes)

- a. Construction Fee/Footage: 0 to 130 feet – one pole or less – no cost
- b. Construction Fee/Footage: 130 feet and up - \$26.00 per foot
- c. Rock blasting, tree clearing, multiple riser poles, multiple transformer banks, and other extraordinary costs will be over and above the stated costs in a or b above. Extraordinary costs are charged to the member based on estimated time and materials.
- d. Construction Fee/Footage for structures such as campers, signs, wells, storage buildings, personal garages, telephone and cable repeaters, temporary service, etc.
 - 0 to 50 feet – no cost – no poles included
 - 50 feet and up - \$26.00 per foot – includes primary pole if needed but not meter pole

VI. Single Phase Primary Underground Line extension charges (applies to all rate classes)

- a. Construction Fee/Footage – 0 to 140 feet – no cost
- b. Construction Fee/Footage – 140 feet and up - \$24.00 per foot
- c. Tree clearing, ditch digging, sand and/or conduit will be in addition to a or b above. Extraordinary costs are charged to the member based on estimated time and materials.
- d. Construction Fee/Footage for structures such as campers, signs, wells, storage buildings, personal garages, telephone and cable repeaters, temporary service, etc.
 - 0 to 50 feet – no cost
 - 50 feet and up - \$24.00 per foot

VII. Multi-Phase Primary Underground Line extension charges (applies to all classes)

- a. Construction Fee/Footage – 0 to 100 feet – no cost
- b. Construction Fee/Footage – 100 feet and up - \$35.00 per foot
- c. Tree clearing, ditch digging, sand and/or conduit will be in addition to a or b above. Extraordinary costs are charged to the member based on estimated time and materials.
- d. This method is for permanent dwellings and commercial services only.
- e. Construction Fee/Footage for structures such as campers, signs, wells, storage buildings, personal garages, telephone and cable repeaters, temporary service, etc.
 - 0 to 50 feet – no cost
 - 50 feet and up - \$35.00 per foot

VIII. Miscellaneous

Line extensions which require the Cooperative to furnish one or more poles shall carry the stipulation that the member shall be responsible for a 5-year minimum charge from the date service was made available. All other new services shall require a one-year minimum charge from the date service was made available.

\$150.00 non-refundable application/site visit fee will be applied toward project cost at the time the line extension is constructed. Lengthy or complicated line extensions may require more than one application/site visit fee.

In certain circumstances, the Cooperative may include incremental facilities in the project design that will benefit future projects. The costs for these added facilities will not be the responsibility of the applicant.

Any member requesting changes to existing Cooperative facilities will pay the full costs of construction as CIAC (Contribution in Aid-to-Construction). Service and transformer upgrade may be subject to site visit fees and other charges which will be determined by Cooperative personnel on a case by case basis.

The Cooperative will install a new security light free of charge if the light can be installed on an existing Cooperative pole and the member signs a security light agreement. Security lights requiring a line extension will follow the provisions herein.

Developers requesting a primary extension for a development or subdivision will be required to pay the full cost of installing the required facility labor, overhead, and material. The Cooperative will determine and design the facilities that are required for the line extension.

The Cooperative may decide to waive certain line extension construction fees if, in management's sole discretion, that line extension may result in general benefit to the Cooperative and its members. Factors to be considered in making that determination shall include whether the line extension may permit new services within, or expansion without, the Cooperative's service territory.

IX. Self-Clearing of New ROW by Members and Their Contractors

Members may elect to perform tree clearing of new right-of-way themselves or may hire a contractor to perform the same. In such cases, the Member shall have the ROW cleared to the Cooperative's specification, which is available on the Cooperative's website and shall be made available to the member upon request. The member shall pay a \$150 nonrefundable fee to the Cooperative to have the Cooperative's Tree Crew Foreman or his representative inspect the cleared ROW prior to the installation of conductor. If the ROW clearing does not meet the Cooperative's ROW specification, then the member can bring the ROW into compliance with the specification and have the ROW inspected again at an additional cost of \$150 to the member. Alternatively, the member may elect to have the Cooperative bring the ROW into compliance with the specification, in which case the cost of such work will be added to the line extension cost to be paid by the member.

X. Financing of Contribution In Aid of Construction (CIAC)

The Cooperative may offer to Members, not developers of subdivisions or spec builders, financing of CIAC for CIAC amounts greater than \$500. The Member may finance up to 75% of the CIAC for 2 years of monthly payments with an interest rate equal to three percent (3%) plus



the 2-year Treasury Yield Curve Semiannual Rate, as published by the Rural Utilities Service of the United States Department of Agriculture on their Rural Utilities Loan Interest Rates website. Loan approvals are subject to reasonable and customary credit checks. Loan payments by the Member to the Cooperative shall commence with the first monthly electric service billing and continue for a total of 24 equal payments. The Member’s CIAC down payment, prior to financing the remainder of the CIAC, shall be at least \$500 or 25% of the CIAC, whichever is greater.

The following example shows how the interest rate paid by the Member would be calculated based on the 2-year Treasury Yield Curve Semiannual Rate.

10/12/2017 TREASURY YIELD CURVE SEMIANNUAL RATES

| 3-mo | 6-mo | 1-yr | 2-yr | 3-yr | 5-yr | 7-yr | 10-yr | 20-yr | 30-yr |
|------|------|------|------|------|------|------|-------|-------|-------|
| 1.09 | 1.27 | 1.41 | 1.51 | 1.66 | 1.95 | 2.16 | 2.33 | 2.62 | 2.86 |

To calculate the interest rate to be paid by the Member:

$$3\% + 1.51\% = 4.51\%$$

Financed CIAC payments will be considered part of the Member’s electric account receivable. Failure to make a loan payment or payments will make the Member’s electric service subject to disconnection in accordance with the Cooperative’s Disconnect Policy. If a member terminates service with the Cooperative at the relevant service location prior to completion of all scheduled loan payments, the remaining principle amount of CIAC owed by the Member may be transferred to another active account of that member or “final billed” to the member. Amounts not repaid upon final billing are subject to all the same credit and collections procedures as other forms of accounts receivables, including turning debts over to a collection agency and reporting such occurrences to credit rating agencies.

XI. Partial Reimbursement of Contribution In Aid of Construction (CIAC)

In cases where subsequent new services or line extensions extend from the relevant line extension within two (2) years of energization of the relevant line extension, the Cooperative will reimburse or forgive a proportional amount of the CIAC, as determined in a nondiscriminatory manner by Cooperative Management. Factors in determining the proportional amount will include the portion of the relevant line extension that benefits the subsequent new service and the amount of time that has passed since the relevant line extension was energized. In no event shall any portion of CIAC be reimbursed due to subsequent line



extensions or new services that occur more than two (2) years after the date that the relevant line extension was energized.

The exclusive remedy available to a Member who disagrees with Cooperative Management's determination of the amount of CIAC to be reimbursed shall be the right to request a review of Management's determination by the Cooperative's Board of Directors. The Member must provide a written request for Board review. The Member shall have the right, but not the obligation, to appear before the Board of Directors to present their request in person. However, appearing in person does not excuse the Member from their obligation to provide a written request.

RESPONSIBILITY: Operations Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

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| Approved by Board of Directors | April 26, 2011 |
| Revised by Board of Directors | July 23, 2013 |
| Revised by Board of Directors | April 22, 2014 |
| Revised by Board of Directors | August 25, 2015 |
| Revised by Board of Directors | October 24, 2017 |
| Revised by Board of Directors | February 20, 2018 |