

POLICY 302

LINE AND SERVICE EXTENSIONS

OBJECTIVE:

To set forth the terms and conditions under which Union County Electric will construct and extend its facilities to provide electric service or to replace, relocate or otherwise modify its facilities for the benefit of the member consumer consistent with the principle of complete area coverage.

POLICY:

Construction Requirements

- A. The electric plant of Union County Electric shall be constructed, installed, maintained and operated in accordance with accepted engineering practice in the electric industry to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished and the safety of the persons and property.
- B. Union County Electric shall use as the minimum standard of accepted practice the National Electrical Safety Code as prescribed by the statutes of the State of South Dakota or as the same may be amended.
- C. The type and character of construction, capacity requirements, locations of the origin, and the route to be followed in the construction of an extension shall be determined by Union County Electric after due consideration of the engineering problems involved, with the objective of providing the best service possible. The origin need not necessarily be at the point on the existing distribution system most proximate to the member consumer's premises, nor the route selected the shortest distance between the origin and the delivery point.
- D. In cases where line extensions are constructed on poles used jointly with another utility, the investment chargeable to the extension shall be determined as though the necessary facilities were to be entirely constructed by Union County Electric without regard to the actual ownership of the jointly used poles.

Definitions

Advance for Construction costs are cash payments made to the Cooperative by a member applying for an extension, portions of which may be refunded depending on any subsequent usage on the service.

Contribution in Aid To Construction means a nonrefundable cash payment covering the costs of an extension that are the result of special requests of the member.

Extension means a distribution or secondary line extension other than a service line extension.

Service Line Extension means any secondary line extension on private property serving a single meter.

Estimated Construction Costs shall be calculated using the continuing property records of the Cooperative taking into account the present costs of material, equipment

and labor. Transformer cost, meter cost, and facilities built for the convenience of the Cooperative are not included. These costs will be adjusted annually.

Service Classifications

Single Phase Residential, Farm and Commercial Services

- A. Union County Electric Cooperative will design and construct line extensions following acceptable engineering practices. The route of all extension and the design shall be solely determined by the Cooperative, after consideration of the member's needs.
1. Union County Electric will install and maintain the line and all equipment up to and including the meter, which may be located either on a building or on a Union County Electric owned pole.
 2. For the protection of the member consumer's facilities, Union County Electric will provide a means of disconnect below the meter on new services where the meter is located on the pole.
 - i. Double throw switches will be provided where the member consumer has or plans to have a standby plant. If the double through switch is requested after a service is in place the member will pay all costs associated with the installment.
- B. Aid To Construction:
1. If the member would like to deviate from the cooperative's recommended construction design, they will be responsible for any additional costs. These costs will be considered aid to construction and the member will be required to pay this before construction begins.
- C. Advance For Construction:
1. The member will be required to provide an advance for construction before construction begins. The amount of the advance for construction will be calculated using the continuing property records of the Cooperative taking into account present labor and equipment rates and material costs.
 - i. The cooperative will provide a meter pole and a maximum of a 200 amp meter loop and breaker (minimum service) if installed on a pole and a 200 amp meter socket if installed on the building.
 - ii. The minimum service cost of construction will be calculated annually.
 - iii. The member will be expected to deposit an amount equal to the calculated construction cost minus the minimum service cost of construction.
- D. Refund of Advance For Construction:
1. No interest will be paid on a deposit made for an advance for construction.
 2. Members shall receive a discount calculated monthly based on their actual kwh consumption TIMES the average residential revenue per kwh (from the December Form 7 for the prior year) minus the facility charge divided by purchase power cost (from the December Form 7 for the prior year):
 - i. $(\text{Residential revenue}) - (\text{Average residential consumers served} * \text{facility charge} * 12 \text{ months}) / \text{residential KWH sold} = \text{average revenue per KWH from residential energy sales.}$
 - ii. $\text{Average revenue per KWH} - \text{average cost per KWH} / \text{average revenue per KWH} = \text{percentage discount on all KWH sold each month.}$
 - iii. 2006 percentage=
 - a. $1469872 - (989 * 14 * 12) / 18,692,486 = .0697$
 - b. $(.0697 - .0358) / .0697 = .4864$ or 48.6% discount
 3. The discount will begin the first month of service on the account and cease at the earlier of 60 months, or when the cumulative discount equals the amount of deposit they made. The discount is non-transferable, and shall cease if the member moves from the dwelling originally taking service.
- E. Requirements of Member:
1. For overhead construction the member shall be responsible for providing a cleared right of way onto or across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading or other reasons the member will be responsible for all costs associated with this work.

2. For underground construction the member shall be responsible for providing a cleared right of way, re-backfill and reseeding across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading or other reasons the member will be responsible for all costs associated with this work.
- F. Equipment or facilities installed for the Cooperative's convenience shall be at the Cooperative's expense.
- G. Temporary Service:
 1. For new services where the permanent meter will be located on the building, Union County Electric may provide a temporary construction meter loop until the permanent meter installation is completed if the permanent transformer has been installed.
- H. If temporary service is requested Union County Electric will collect a construction deposit to cover all the costs associated with providing the service including material and construction and retirement labor. On removing the service, credit will be granted for salvageable material. Any portion of the service used in the permanent installation will be credited back to the member including labor charges.

Multi Phase Service

- A. Union County Electric will provide multi phase electric service under the applicable rate schedule at the meter location, or delivery point, to be agreed upon by Union County Electric and the member consumer.
- B. The Cooperative will design and construct line extensions following acceptable engineering practices. The route of all extensions shall be solely determined by the Cooperative, after consideration of the member's needs.
- C. The member will be required to provide an aid to construction before construction begins. UCEC will use the following formula to determine the aid to construction due from the member. Actual cost of construction minus (one half the minimum monthly facility charge times 12 months times 15 years). For a small service we will pay $(\$30/2) * 12 * 15 = \$2,700$ and the rest of the estimated construction costs will be due from the member as an aid to construction.
- D. For overhead construction the member shall be responsible for providing a cleared right of way onto or across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading or other reasons the member will be responsible for all costs associated with this work.
- E. For underground construction the member shall be responsible for providing a cleared right of way, re-backfill and reseeding across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading, or other reasons, the member will be responsible for all costs associated with this work.
- F. If existing line is required to be converted from single phase to multi phase additional costs may be incurred.
- G. Equipment or facilities installed for the Cooperative's convenience shall be at the Cooperative's expense.

Irrigation Service

- A. Union County Electric will provide single or multi phase electric service under the applicable rate schedule at the meter location, or delivery point, to be agreed upon by Union County Electric and the member consumer.
- B. The Cooperative will design and construct line extensions following acceptable engineering practices. The route of all extensions shall be solely determined by the Cooperative, after consideration of the member's needs.
- C. The Cooperative will install and maintain wires to the center of the pivot at the member's request. When the meter is installed at a location other than the center of the pivot the Cooperative will install and maintain the underground secondary to the center of the pivot excluding the termination point. The costs associated with installing this wire and the wire cost will be added into the aid to construction calculation.

- D. The member will be required to provide an aid to construction before construction begins. UCEC will use the following formula to determine the aid to construction due from the member. Actual cost of construction minus (one half the annual minimum facility charge times 15 years). For a 50 HP service we will pay $(50 * 16/2) * 15 = \$6,000$ and the rest of the estimated construction costs will be due from the member as an aid to construction.
- E. A ten year contract will be required for each installation. UCEC may finance the aid to construction with board of directors' approval taking into account credit worthiness of the borrower. Interest will be equal to National Rural Cooperative Finance Corporation published 10 year fixed rate at the time of the loan. Terms will be for a maximum of ten years.
- F. For overhead construction the member shall be responsible for providing a cleared right of way onto or across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading, or other reasons the member will be responsible for all costs associated with this work.
- G. For underground construction the member shall be responsible for providing a cleared right of way, re-backfill and reseeding across their property, and shall provide the Cooperative with the necessary easements. If the Cooperative needs to come back and reset any of the equipment because of settling, grading or other reasons the member will be responsible for all costs associated with this work.
- H. If existing line is required to be converted from single phase to three phase, additional costs may be incurred.
- I. The cooperative will require a ten year contract to install irrigation service.
- J. Equipment or facilities installed for the Cooperative's convenience shall be at the Cooperative's expense.

Non Residential and/or Low Use Services

- A. Union County Electric will provide single or three phase service under the applicable rate schedule where no permanent residence exists, such as for isolated water pumps, grain dryers, feed lots, industrial and commercial enterprises of speculative purposes, enterprises where the applicant will not be the user of service and to any other where the amount and permanency of service cannot be reasonably assured.
- B. Union County Electric may require either an advance for construction deposit or a contribution in aid of construction to cover all or any portion of the total cost of facilities used or installed solely for the benefit of the member consumer.
- C. The minimum charge as provided for in the applicable rate schedule may be increased to sufficiently cover the fixed costs attributable to the investment necessary to make the extension. Fixed costs will be determined as follows:
 - 1. Annual fixed costs (all costs except power) divided by the total plant investment equals fixed costs as a percentage of total plant.
 - 2. This percentage multiplied by the additional investment in plant equals the annual fixed costs attributable to this extension. This amount divided by twelve determines the monthly minimum charge.
- D. The terms and conditions of the service may be formulated into a contractual agreement with the member consumer prior to the installation of service.

Temporary Services

- A. Union County Electric will provide single or three phase service to facilities of a temporary nature such as circuses, bazaars, fairs, construction works, fireworks stands, etc., or where the venture may be of such uncertain speculative character that permanency is questionable.
- B. Union County Electric will collect a construction deposit to cover all the costs associated with providing the service including material and construction and retirement labor. On removing the service, credit will be granted for salvageable material.
- C. Union County Electric will also collect a prepayment sufficient to cover the estimated usage or twelve (12) months minimum, whichever is greater.
- D. This prepayment will then be credited to the electric account on a monthly basis.

Easements

A contract for electric service, or the receipt of service by a member consumer, will be construed as an agreement granting to Union County Electric without charge, an easement for electric lines, wires, conduits and other equipment of Union County Electric necessary to render service to the member consumer. Union County Electric employees may enter the premises to repair, maintain, and perform any other duties necessary to maintain continuity of service for the member consumers of Union County Electric.

If requested by Union County Electric, the member consumer will execute Union County Electric's standard Right of Way easement granting to Union County Electric, at no expense therefore, satisfactory easements for suitable location and other appurtenances on or across lands owned or controlled by the member consumer and will furnish space and shelter satisfactory to Union County Electric for all necessary apparatus of Union County Electric located on the member consumer's premises.

In the event the member consumer shall divide premises by sale in such manner that one part shall be isolated from streets or alleys where Union County Electric lines are accessible, the member consumer shall grant or reserve an easement for electric service over the part having access to electric lines, for the benefit of the isolated part.

Union County Electric may assist the member consumer in the procurement of other right of way easements necessary for the line extension and may assess the member consumer for any costs incurred in the right of way acquisition. It may be the responsibility of the member consumer desiring service to provide or pay for costs incurred for tree or brush clearing or crop damages.

Standard Voltage, Frequency and Permissible Variations

Union County Electric's standard nominal voltages for its secondary voltage distribution system is 120 volts, single phase, two wire; 120/240 volt, single phase, three wire; 240/480 volt, three phase, three wire delta, 120/240 volt, three phase, four wire delta connected; and 120/208 or 277/480 volt; three phase, four wire wye connected.

Every reasonable effort shall be made by the use of proper equipment and operation to maintain such voltage practically constant at all times. The voltage maintained at Union County Electric's main service terminal (the point at which Union County Electric's service connections terminate) as installed for individual consumers or groups of which shall be reasonably constant as follows:

- For service rendered under a lighting contract or primarily for lighting purposes the voltage shall be within five percent plus or minus of the standard adopted.
- For service rendered under a power contract or primarily for power purposes the voltage variation shall not exceed ten per cent above or ten per cent below the standard average voltage at any time when the service is furnished.
- Variations in voltage in excess of those specified caused by the operation of power apparatus on the member consumer's premise, which necessarily requires large starting currents, by the action of the elements, by infrequent and unavoidable fluctuations of short duration due to necessary station or line operations, shall not be considered a violation to this rule.

Transformers

Necessary step down transformers will be installed and maintained by Union County Electric unless otherwise specified in the applicable rate schedule on file. Union County Electric will not be required to install in excess of one KVA of transformer capacity for each horsepower of the member consumer's requirements.

If the member consumer's power requirements, previous to the end of six (6) months after installation of or prior change in transformers, proved to be substantially more or less than set forth in a request for

change or in the application for service, Union County Electric may make such reductions or increase the installed transformer capacity as it deems advisable and the member consumer will pay to Union County Electric the cost of making such change.

The member consumer, at the request of Union County Electric shall furnish and maintain space and facilities for the installation of Union County Electric transformers and other equipment.

Alteration or Relocation of Facilities

Requests for alteration or relocation of Union County Electric facilities for road moves, house moving, joint use, etc., shall be made sufficiently in advance to enable Union County Electric to properly schedule the requested alteration or relocation. Where possible, at least thirty days notice should be given.

Should Union County Electric facilities which are located on private right of way and where Union County Electric has obtained an easement for its right of construction, required relocation, the person, firm or organization requiring or creating the need for the change shall guarantee the cost or applicable portion of cost for the alteration or relocation by specific contract, a cash deposit of the estimated charges in advance or a cash bond in the amount of the estimated charges.

Except in the case of emergencies, meters and other equipment of Union County Electric will be removed or relocated only by employees of Union County Electric. If due to an emergency, the member consumer removes a meter or other facilities of Union County Electric, the member consumer will be required to immediately notify Union County Electric.

Rebuilding of Electrical Service

- A. Single Phase Residential, Farm, Commercial and Multi Phase Service
 - 1. If the member consumer or owner applies for restoration of service at a location after the facilities have been removed, he/she will be required to pay in advance, an amount equal to the actual removal cost, plus the estimated replacement cost of the necessary facilities, less material.
 - 2. This will not apply, however, if, in the meantime, ownership of the premises has changed.
 - 3. The cooperative may require a contract for rebuilding of underground facilities.
- B. Irrigation
 - 1. If the member consumer or owner applies for restoration of service at a location after the facilities have been unused for a period of one year or the service has been removed. They will be required to pay an amount equal to actual restoration of the irrigation service, plus existing facilities charges for one (1) year.
 - 2. This will not apply, however, if, in the meantime, ownership of the premises has changed.
 - 3. The cooperative will require a contract for rebuilding of underground facilities

Continuity of Service

Union County Electric shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy, but if such supply shall fail or be interrupted or become defective through an act of God, or the act of public enemy, or by accident, strikes, labor troubles, or by accident or elements or the inability to secure rights of way, or other needed permits, or any cause beyond reasonable control of Union County Electric, Union County Electric shall not be liable therefore.

For the purposes of making repairs to or changes in Union County Electric's plant, distribution system, or other property, Union County Electric may without incurring any liability, suspend service for such period as may be required. Union County Electric will not inconvenience the member consumer unnecessarily and whenever possible will give reasonable notice to the member consumer prior to such suspension of service.

Interruptions of service, however, will not relieve the member consumer from any charges for service actually supplied, nor relieve the member consumer of payment of minimum charges of the applicable rate or contract.

RESPONSIBILITY:

- The Manager and the department heads are responsible for the administration of this policy.
- The Board of Directors is responsible for any change in or revision of this policy.

ADOPTED AND REVISED:

This Policy was adopted by the Board of Directors on: 3/20/1985
This Policy was revised on the following dates: 5/10/1990, 1/26/2007

President Secretary