

VALLEY ELECTRIC ASSOCIATION, INC.

Corporate Policy #133

LINE EXTENSION

Dated: June 1, 2019
Supersedes: September 27, 2007
Formerly: Policy 17

I. OBJECTIVE

To provide service to an applicant requesting electric service that will require new construction or extension of the Association's distribution system at the applicant's expense.

II. POLICY

It is the policy of the Association to make electric service available, to the extent practical, to all applicants in the Association's service area under the prevailing rates and conditions of service.

A. **General Definitions**

1. "Line Extension" is the construction necessary to supply electric service to an available point of attachment to the existing utility system. They also include Service Alterations.
2. "Service Alterations" means those existing Association facilities requested by the Applicant to be upgraded or relocated. (Costs to upgrade or relocate Association facilities shall be the responsibility of the Applicant.)
3. "Power Available" means the point in time at which the primary or secondary facilities requested by the applicant have been constructed by the Association.
4. "Delivery Point" means the metering point, bus bar, or as may otherwise be defined by the Association.
5. "System Improvements" means an Applicant's request for system improvements or changes to the Association's electrical system for residential, irrigation, general and commercial services.
6. "Engineering Fee" is a payment that the Applicant will be responsible to pay when submitting the application for a Line Extension.

7. "Construction Aid Payment" is the payment the Applicant will be responsible to make payment prior to the start of material procurement and construction.
8. "Change Order Charge" is the payment that Applicant will be responsible to pay after the Association has reevaluated an existing design to meet the new requirements. It is the Applicant's responsibility to make payment on the charge prior to the start of material procurement and construction.
9. "Approved Plans" means those site plan/map documents which have been reviewed and approved as indicated by the official stamp of the local jurisdictional authorities.
10. "Planned Unit Development" or "PUD" is a building development that includes a designed group of varied and compatible land uses, such as housing, recreation, commercial centers, and industrial parks. This can be completed under one contained development or subdivision. This also includes master planned communities or other similar parceled developments as determined by the Association.

B. **Connection Classifications.** The Association will provide electric service within the boundaries of its service area when (i) all necessary rights-of-way and/or easements have been furnished by the Applicant to the Association pursuant to and in accordance with the Association's easement requirements, and (ii) the applicant complies with all applicable conditions of one of the following classifications of service, as determined by the Association.

1. "Permanent" as herein defined shall include, without limitation, electric service to residential, irrigation, general service and commercial applicants, when permanent and indefinite use of electric service can be assured by the Association.
2. "Indeterminate" as herein defined shall include, without limitation, those services that are transitory in nature, which may be specified by the applicant or determined by the Association. Electric service to mines, quarries, or other enterprises where there is little or no immediate demand for service by applicant, seasonal services, and other services where the amount and permanence of use cannot reasonably be assured shall be considered to be "Indeterminate".
3. "Temporary" as herein defined includes, without limitation, electric services to fairs, concessions, and similar enterprises, services for construction work, and all other services which are of a temporary nature, as determined by the Association.

4. Once service is provided, the Association will own, operate and maintain all extension facilities constructed pursuant to this policy.

C. Line Extensions.

1. **General Requirements.** For connection of electric service to all connection classes, as defined in Section B above, as well as, Sections D, E, F, and G below, the following shall apply:
 - a. A non-refundable Engineering Fee for each line extension will be charged before an estimate is calculated, as determined by the Association. The Engineering Fee can be found in Schedule A of this Policy 133.
 - b. The Applicant is responsible to execute a Right of Way Easement for the Applicant's property, and may be required to secure Right of Way Easements from adjacent property owners upon whose land it may be necessary to locate power lines to make Power Available. All costs associated with Right of Way Easements, clearing of Right of Way, permitting, etc. are the Applicants responsibility.
 - c. A Construction Aid Payment covering the costs of construction of the electric service facility will be required to cover 100% of the estimated construction costs for service installation. The Construction Aid Payment will be calculated based on the estimated construction costs as determined by the Association.
 - d. Any difference between actual and estimated costs will be either billed or refunded to the applicant at the discretion of the Association.
 - e. The Association has ultimate authority for system design parameters, including without limitation to the sizing of conductor/cable, transformers, poles, etc., and physical location of equipment to be installed.
 - f. If subsequent consumers are connected to the line extension during the first three (3) years from the date the Association makes Power Available, a refund may be made to the applicant who initiated the extension or to the successor owner of the property. If a new service is connected to a line on which a Construction Aid Payment has been made, the new applicant shall pay a pro-rata share of the original Construction Aid Payment if such occurs within three (3) years after construction of the line.
 - g. Any new primary line extension made to the end point of a preceding extension will be considered a separate extension and will not affect the previous extension contract. The Association, at its sole discretion, may retain a portion of the line extension cost when multiple accounts are being served or planned for future service. In such cases, no refund will be made.
 - h. Transformers and Meters are classified as "special equipment" and will be owned and maintained by the Association. The Applicant

will be responsible for the costs associated with special equipment.

- i. Developers of PUDs shall provide the Association with a performance guaranty in the form of a surety bond, letter of credit, or similar financial instrument acceptable to the Association. Such instrument will be held by the Association for two (2) years and will be used to cover costs which may be incurred by the Association to repair or replace damaged facilities resulting from improper or inadequate work performed by developer or developer's agent.

2. **Permanent Facilities.** For connection of electric service to Permanent Facilities, as defined in Section B.1. above, the following shall apply:

- a. Applicants shall provide surveyed property corner stakes for determination of proper power line locations.
- b. Specific load information is the sole responsibility of the Applicant and shall be included with all applications for connection.
- c. After Approved Plans have been received by the Association, any changes to the Applicant's Approved Plans must be submitted to the Association in a timely manner, and shall be subject to a Change Order Charge and an additional Engineering Fee, as determined by the Association.
- d. PUDs shall provide all documentation as may be required by the Association with regard to easements, site-plans, property pins, grade stakes, and all other similar items relating to the PUD. The Approved Plans for all PUDs must be properly recorded with the proper jurisdictional authority and will be subject to a PUD Engineering Fee, in the amount shown in Schedule A of this Policy 133. PUD applicants may be required to pay an additional charge, in addition to other charges which may be required for such extension, pursuant to other sections of this policy.
- e. Units within a subdivision may be required to pay additional fee(s), in addition to other charges, which may be required for such extension pursuant to other sections of this policy as determined by the Association.

3. **Indeterminate Facilities.** For connection of electric service to Indeterminate Facilities, as defined in Section B.2. above, the following shall apply:

- a. All Indeterminate Facilities shall require a Construction Aid Payment to the Association in an amount equal to the estimated cost of installation and removal (up and down charges) of the extension, less any salvage value. The cost of installation shall

include the cost of both the material and labor requirements for the transformers and meters.

- b. An Indeterminate Facility that qualifies as a Permanent Facility within one (1) year will be eligible to convert to a Permanent Facility and receive a refund for any excess contribution previously made.
- c. Indeterminate Facility service charges shall be billed on the applicable rate and conditions of service while it is in place.

4. **Temporary Facilities.** For connection of electric service to Temporary Facilities, as defined in Section B.3. above, the following shall apply:

- a. All Temporary Facilities shall require a Construction Aid Payment to the Association in an amount equal to the estimated cost of installation and removal of the extension, less any salvage value.
- b. Service provided to a Temporary Facility shall be billed in accordance with the applicable rate schedule and conditions of service while it is in place.
- c. The Association may refuse to connect additional applicants to any Temporary Facility.
- d. Unless otherwise determined by the Association as provided herein, the Association will not provide electric service over a Temporary Facility for a period longer than one (1) year. If the applicant desires electric service thereafter, continued service shall be furnished under the terms of either the Permanent Facilities service or Indeterminate Facilities service, if the Association's estimate of the future use of service justifies the continued operation and maintenance of the line. The Association, at its discretion, will only consider extending electric service to a Temporary Facility for a period longer than one (1) year if a written request for a time extension is delivered to the Association by the applicant.

- D. **Idle Facilities.** Existing facilities or facilities constructed at applicant's request with Power Available shall be billed on the first billing date following the construction of the line. Where metered service has not been requested by the Applicant within one (1) year from the date of notification by the Association that power is available, the Applicant shall be subject to the removal or retirement of the facility, at the sole and absolute discretion of the Association. Additional rules relating to idle services are contained in Corporate Policy 134 - Idle Services.

- E. **System Improvements.** For System Improvements to facilities, as defined in Section A.5. above, the following shall apply:
- a. All System Improvements will require the Applicant to contact the Association for the determination of the total estimated costs.
 - b. All System Improvements shall require a Construction Aid Payment to the Association equal to the total estimated costs associated with the construction of the system improvements and the retirement of facilities, prior to the Association proceeding with the improvements.
 - c. The Association may refuse Applicant's requests for System Improvements.
- F. **Underground Facilities Service:** Primary and/or secondary underground facilities will be installed when feasible or as otherwise required. Each applicant for underground facilities shall pay a Construction Aid Payment of 100% of the estimated costs of construction for the primary and/or secondary power lines and related power equipment. The following terms apply to both Residential and Commercial underground facilities:
1. *Residential.* The Association will install, own and maintain all underground primary and secondary conductors for 400A and below rated installations. The Applicant shall be responsible for all trenching and conduit required for service from the Applicant's metering point back to the Association's available point of connection. The Association shall provide, install and own secondary conductors from its facilities to the metering point. The Applicant's installation and construction must meet the specifications of the Association.
 2. *Commercial.* The Applicant is responsible for all excavation, trenching, conduit, pads, vaults, secondary junction boxes, grounds, secondary conductors, bedding material, back fill of trenches, ground restoration and other non-primary materials as may be required beyond the Association's facilities. The Applicant's installation must meet the accepted industry inspection standards of the Association.
- G. **Large Industrial Loads.** Large industrial loads involving special construction or circumstances will be individually analyzed and approved by the Association on a case-by-case basis. To the extent applicable, all of the provisions of this Policy 133 may apply, at the discretion of the Association.
- H. **Line Extension Charges and Fees.** Applicants for new electric service and reconnections of idle electric services will be responsible for associated charges and fees further described in Schedule A of this Policy 133.

- I. **Authority to Waive.** The board of directors of the Association reserves the right to waive by formal board action any or all of the provisions of this Policy 133.

III. RESPONSIBILITY

The Board of Directors, through delegation to the Chief Executive Officer, shall be responsible for the administration of this policy.

VALLEY ELECTRIC ASSOCIATION, INC.
CORPORATE POLICY #133
SCHEDULE "A"
June 1, 2019

LINE EXTENSION FEES

Service Size	Fee
<u>Residential Service</u>	
Engineering Fee	\$300.00 ¹
Construction Aid Payment.....	\$ ²
<u>Commercial, Irrigation, General Service, PUD, and Industrial Services</u>	
Engineering Fee	\$ ³
Construction Aid Payment.....	\$ ²

Notes:

¹ The Engineering Fee will be assessed at the time of the application is submitted and will require payment in advance prior to any engineering work being completed. Any Engineering Fees paid at the time of application will be credited towards the Construction Aid Payment.

² The Engineering Department will establish an estimated Construction Aid Payment, based on the size and complexity of the Line Extension. The Construction Aid Payment must be paid in advance before any construction commences.

³ The Engineering Fee for non-Residential service requests will be established by the Engineering Department.