

NORVAL ELECTRIC COOPERATIVE, INC.

Line Extension Policy

Member Policy No. 2

POLICY:

In general, a line extension is considered to be any installation of facilities necessary to provide service to a proposed permanent load. Each extension should be reviewed to determine its feasibility and what actions may be necessary to accomplish construction.

- a. The cooperative reserves the right to determine the feasibility of installing electric facilities based on terrain, soil conditions, safety, sound engineering practices, accessibility, and future maintenance. The cooperative shall consult with applicants to determine if acceptable locations and routes can be established for the installation of electric facilities. The applicant shall agree to pay the costs of professional engineering or consulting services that the cooperative determines are necessary to develop a work plan for installation of electric facilities. The cooperative reserves the right to deny an applicant's request for installation of electric facilities if acceptable locations and routes of the facilities cannot be established and agreed upon by the cooperative and the applicant.
- b. The Cooperative will determine the cost of a line extension in accordance with standard engineering cost estimating procedures prior to construction. The metering equipment will not be included in the estimated cost. Estimates will be valid for 30 days under normal conditions.
- c. The applicant shall be responsible for procurement and fees for all necessary easements, special use permits, or other land use rights for the extension and shall furnish them to the Cooperative before construction commences.
- d. Prior to construction of a project, applicants are required to pay a contribution in-aid-of construction. It is the policy of the Cooperative to share a portion of the cost of new line extensions to serve permanent loads. Prior to construction of a new service, the cooperative shall prepare an estimate of the cost of construction. The Cooperative will contribute up to a maximum of \$2,000 toward the cost of a new single-phase line extension. All costs in excess of \$2,000 will be paid as contribution in-aid-of constructions by the applicant. The following charges are excluded from the \$2,000 Cooperative contribution:
 1. Meter loop charges.
 2. All Right of Way permit fees.
 3. All engineering fees.

NORVAL ELECTRIC COOPERATIVE, INC.

- e. For temporary extensions of less than twelve (12) months duration, applicants shall pay the total cost of installation and the estimated cost of removal with credits allowed for salvage values. All charges shall be paid prior to installation.
- f. The line extension policy for 3-phase service will be that the member will contribute 100 percent of the estimated construction costs prior to construction as a contribution in-aid-of construction. If the plan to serve is changed after the contribution is made the cost to serve will be corrected prior to installing the meter.
- g. The cost of transformers will be included in the cost of the line extension.
- h. If the irrigation, residential, and seasonal classification members wish to install a meter base, which is different from the basic meter base, and disconnect offered by the Cooperative, it will be at the members' expense and a qualified electrician will need to make the proper connections. All meter bases must be approved by the co-op.
- i. The Cooperative will work with a member to move overhead line to underground in areas designated as a rural runway for aircraft. The Cooperative will consider sharing costs on a maximum of four spans. The member will pay the installation costs and the Cooperative will pay the material costs. If the member wishes to bury more than four spans, the amount over four spans will be totally at the member's cost.
- j. Contributions in-aid-of construction shall not be deemed to vest either interest or individual ownership in any portion of the new facilities on behalf of the applicant. All facilities installed pursuant to this policy shall be and remain the property of the Cooperative.

NORVAL ELECTRIC COOPERATIVE, INC.

- k. New connections to lines less than 5 years old will be eligible for a refund of a portion of the Aid to Construction. The refund period will be within five years from the date of when the installation is completed on the Cooperative's records. Installation will be deemed complete when the service receives power (i.e. meter is installed). The refund request will need to be generated by the member within the five-year period. The refund will be calculated using the following formula: the ratio of the connected kW load to the total line ampacity multiplied by a ratio of the number of whole months remaining on the 5 year window multiplied by the original Aid to Construction paid for the line. The length of time may be changed with board approval for larger projects.

$$\frac{\text{Connected kW Load}}{\text{Line Ampacity (kW)}} \times \frac{\text{Number of Months Remaining of 5 year contract}}{60 \text{ Months}} \times \text{Original Amount of Aid to Construction}$$