

# 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 60 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. If applicant is unable to obtain easements because of special circumstances that are required such as but not limited to professional survey requirements; the Cooperative will provide assistance from professional engineering firm at the cost to the applicant. The Cooperative will require a deposit to start this process and bill the applicant if it exceeds the deposit. Once the survey is done and the aid to construction is paid in full, the Cooperative will commence construction. If the applicant chooses to abandon the project, the Cooperative will refund, to the applicant, the deposit minus the Cooperative engineering and professional engineering expenses.
- 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

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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 with the exception of temporary trailers as discussed in Policy 6. All costs in excess of \$2,000 will be paid as contribution in-aid-of construction 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.

Upon request, new meter loops and meter loop upgrades for existing members may be included on the monthly billing if certain criterion is met. The total owing for the service cannot exceed \$2,000. The member must be a current member with continuous service with NorVal for the prior two years. In addition, all of the members' accounts must be paid current at the time of request. Any member who has been disconnected for nonpayment in the last twenty four months will not be eligible. All charges added to the billing account must be paid in full on the next billing cycle.

- 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 line extension policy for all services except residential and non-residential services will be that the member will contribute 100 percent of the estimated construction costs prior to construction as a contribution in-aid-of construction. Commercial services will include but is not limited to subdivisions, trailer parks, multi-meter storage facilities, utilities, non-agricultural business, and multi-meter residential facilities. The Cooperative will determine if a project is commercial. If the plan to serve is changed after the contribution is made the cost to serve will be corrected prior to installing the meter.
- h. Subdivision Line extensions will be constructed in accordance with the following:

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1. The term "subdivision" as applicable to this policy is defined as a platted or surveyed division of land into two or more parcels or any planned land unit or real estate development regardless of whether such division must be approved under applicable State law.
2. Extensions into subdivisions will be determined on an individual case basis.
3. Services to subdivisions, acreage subdivisions, or backbone facilities must be checked and applied for at the Cooperative headquarters.
4. A main feeder line is defined as any extension of electrical distribution line for the purposes of serving the subdivision, without the transformers, services, or extensions to individual occupants of the divided lands.
5. The developer of the subdivision shall provide a plat showing utility easements which shall be subject to approval by the cooperative prior to any line construction to a subdivision.
6. All main feeder lines necessary to serve a subdivision shall be scheduled and constructed as one project, regardless of whether the developer intends to develop the subdivision in stages or incrementally.
7. The developer shall provide utility easement along property lines for the entire subdivision.
8. The developer and individual consumer shall perform any necessary right-of-way clearing to the Cooperative and appropriate governmental authorities' specifications and rules.
9. Cost of the line will be borne 100 percent by the owner or developer. All costs are due and payable prior to start of construction.
10. The cost of the transformer will be borne by the Cooperative up to 25 kVA per lot. If a larger transformer is required, the lot or lots requiring the larger size will be responsible for the difference in transformer costs.
  - i. The cost of a transformer will be absorbed by the cooperative up to single phase 25 kVA transformer. If a larger transformer is required the member will be responsible for the price difference between a single phase 25 kVA transformer and the one they require. This benefit is only available for single phase permanent residential and non-residential rate classes with exception of mobile trailers which is address in Policy 6.
  - j. If the irrigation, residential, and seasonal classification members wish to install a meter base, which is different from the basic meter base, and disconnect

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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.

- k. 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.
- l. 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.
- m. 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.

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