

<u>DISTRIBUTION LINE EXTENSION POLICY</u> (General Service Classification)	
(Rate Title or Number)	Company Rate Code
<p><u>DISTRIBUTION LINE EXTENSION POLICY FOR EXTENSION OF SERVICE, NEW LINES AND NEW FACILITIES</u></p> <p>TABLE OF CONTENTS</p> <p>I. GENERAL PROVISIONS</p> <p>II. DEFINITIONS</p> <p>III. REQUIREMENTS</p> <p>IV. TEMPORARY SERVICE</p> <p>V. EXTENSION REBATES</p> <p>VI. LINE EXTENSION WHERE NO SERVICE IS REQUIRED</p>	
<p>Advice Letter No. _____ Issue Date _____</p> <p style="text-align: center;">Signature of Issuing Officer _____</p> <p>Decision or <u>Deregulated</u></p> <p>Authority No. <u>12/7/1983</u> Chief Executive Officer _____ Effective Date <u>July 1, 2001</u></p> <p style="text-align: center;">Title _____</p>	

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<p>I. <u>GENERAL PROVISIONS</u></p> <p>The intention of this policy is to:</p> <ul style="list-style-type: none"> a. Set forth the service connection and distribution line extension policy of this Association. b. Define the terms and conditions under which distribution line extensions will be made to each classification of consumer. c. Insure that unwarranted or uneconomical distribution line extensions will not be made unless the risk by the Association is underwritten by an advance construction payment, or other guarantee. 	
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II. <u>DEFINITIONS</u>	
<u>Aid-in-Construction Advance</u>	Amount advanced by applicant to pay all construction costs.
<u>Association (Utility)</u>	The words "Association" or "Utility" as used in these rules, shall be construed to mean Southeast Colorado Power Association.
<u>Construction Cost of Distribution</u>	The combined costs of all facilities necessary to the distribution extension or upgrading, including satisfactory rights-of-way.
<u>Distribution Extension</u>	Any construction of distribution facilities including primary and secondary distribution lines, transformers, service laterals and all appurtenant facilities including meters and meter installation facilities necessary or appropriate to supply service to additional consumers.
<u>Distribution System</u>	The utility's electric lines, facilities and apparatus used for the purpose of general distribution of electric energy to its consumers, either overhead or underground and not to exceed 14.4/24.9 kV.
<u>Distribution Upgrading</u>	Increase size of existing facilities necessitated by applicant's estimated electric requirements or requirements of other consumers. Also, changing the distribution voltage to a higher level and/or converting facilities from single to three phase.
<u>Extension Completion Date</u>	The date on which the construction of a Distribution Extension or Distribution Upgrading is completed as shown by utility records.
<u>Meter Location</u>	The physical location of the electric meter measuring the amount of power and energy supplied to consumer. Meter locations in all instances will be determined by the utility and will be located so as to be accessible to utility's meter readers at all reasonable times.
<u>Point of Delivery</u>	Point where the utility's electric facilities are first connected to the electric facilities of consumer. The location of the point of delivery will be determined by utility in accordance with standard practice or as individual circumstances may dictate.
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(Definitions cont.)		
<u>Service Lateral</u>	The secondary electric circuit and associated facilities located between utility's distribution line and the point of delivery to consumer. Service Lateral provides service for consumer's use.	
<u>Standards of Construction</u>	Standards required by the Association for construction of electric facilities.	
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<p>III. <u>REQUIREMENTS AND PROCEDURES</u></p> <p>The following requirements and procedures apply to distribution line extensions.</p> <ol style="list-style-type: none"> 1. The Association will provide electric service to all qualified applicants within its certificated area. 2. Extensions of the Association's distribution system will be made only on right-of-way acceptable to the Association and shall be built within a reasonable period of time after application for service has been made by the applicant and all requirements of the applicable line extension regulation and other Rules and Regulations of the Association have been met by the applicant. 3. Location of the extension, origin, and the route to be utilized shall be determined by the Association. Based upon various considerations, the origin point need not necessarily be the point on the existing distribution system most proximate to the applicant's premises, nor the route selected be the shortest distance between the origin and the delivery point. 4. Consistent with Association Policy, every applicant shall furnish right-of-way and consent to the construction of distribution line through their property as may be required or necessary to furnish service to other consumers capable of being served by the line or lines, at the time of original construction or later. 5. The consumer will obtain and convey to the Association all right-of-way necessary for the extension. If the Association must purchase or condemn right-of-way it will do so at the expense of the consumer. 6. The consumer, by making application for electric service, grants to the Association, its employees and contractors, a right of access to the consumers property in order to carry out the business of the Association, including patrol and maintenance of lines and facilities, reading of meters and all appropriate repair, upgrade, replacement on lines or equipment. 	
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<p>(Requirements and Procedures con't.)</p> <ol style="list-style-type: none"> 7. The Association shall determine all locations for transformers, meters, or other electrical equipment. If suggested locations are unacceptable to the Association because of inaccessibility, terrain, buildings or any other obstructions, or other operations considerations, the Association shall refuse to make service available to the applicant until such time that a location acceptable to both applicant and the Association can be attained. It is the obligation of the applicant, prior to electrical design, to seek and receive written location approvals from the Association, particularly in difficult terrain. Otherwise the Association and its engineering staff will determine all locations of lines or facilities. 8. The Association's Standards of Construction will determine the type of construction required to provide the quantity and grade of service. The consumer will be required to pay the added costs involved if a different type of construction from that incorporated in the utility's Standards of Construction is desired, and the Association alone shall determine acceptability of materials, facilities or apparatus. 9. The ownership of any pole, line, circuit or other facility provided wholly or in part at the expense of an applicant under these rules shall at all times be vested exclusively in the Association. 10. The investment or cost of the line extension shall be the total of all necessary expenditures, including, but not limited to, primary and secondary distribution facilities, labor and labor overheads, transportation, rights-of-way, engineering costs, surveying, meters and metering equipment, transformers, and any other necessary facilities. 11. Necessary costs may include costs of environmental and regulatory compliance. Compliance and costs change as the regulations develop. By way of example only, wetlands routing and prudent avoidance in location of transmission lines may affect costs. These required costs become a part of the cost of the extension. 12. All costs of construction shall be determined from this Association's current unit construction costs, and shall include all costs necessary for the extension of facilities, except the consumer may provide trenching, bedding and backfill for underground extensions. 	
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<p>(Requirements and Procedures con't.)</p> <p>13. Nothing contained in these general provisions shall be interpreted as a prohibition against the construction of an extension having more than sufficient capacity, size or strength to meet the requirements of the consumers to be then served, provided all additional capacity, size or strength is constructed by the Association without obligation to the applicant.</p> <p>14. The investment shall be the actual, necessary cost of the particular extension. The Association, by reason of its long-range plans or for other reasons may elect to build lines of greater size or capacity than required to serve the consumer. Cost of the extension shall not include, or be determined, with reference to provision for additional capacity, size or strength in excess of that actually and reasonably necessary to meet the requirements of the consumer or consumers to be then served.</p> <p>15. The Association's line extension policy shall not be construed to place a greater burden on any new Consumer connected to an existing line extension than would have been placed on said Consumer had a totally new line extension been constructed for his use, save for the burden of easements through his property consistent with Association principles and policy.</p> <p>16. If 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 constructed entirely by the Association, without regard to the actual ownership of the jointly used poles.</p> <p>17. The Association reserves the right to deal independently on the following situations, on their own merits, and without reference to the provisions of these regulations:</p> <ul style="list-style-type: none"> a) Rates for service to existing consumers are adversely affected. b) Association's investment would not be sufficiently protected. c) Association does not have adequate facilities available for the service requested. d) Resale or wholesale consumers are involved. 	
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<p>(Requirements and Procedures cont.)</p> <ul style="list-style-type: none"> <li style="margin-left: 40px;">e) Unusual conditions, such as heavy right-of-way clearing or design layouts may warrant a different approach, or a variation from these regulations. <li style="margin-left: 40px;">f) Right-of-way costs assessed or required by other entities, ie: (Bureau of Land Management, State of Colorado, National Grassland, Railroads) may be billed at actual costs incurred. <li style="margin-left: 40px;">g) If, in the opinion of management of the Association, the application of these regulations will work an undue hardship on an applicant for service, it may modify the requirements for such special cases, subject to review and approval of the Board of Directors of the Association. <p>18. The Association's determination of construction costs shall be final.</p> <p>19. Extensions shall be built within a reasonable period after the request for service has been received and after all requirements of this regulation and other Association rules and regulations are complied with by a <u>bona fide</u> applicant or applicants, as follows:</p> <ul style="list-style-type: none"> a) Any relocation of existing facilities for the convenience of the consumer will not be considered an extension and will be done at the discretion of the Association. The Association may require Aid-in-Construction Advance. b) Necessarily, these criteria and standards may be affected by extremes of climate, weather or terrain, or the exigencies of crew or material availability. <p>20. The Association reserves the right to deal independently on situations on their own merits and without reference to the provisions of this regulation when there is unacceptable risk, as determined by the Association, associated with furnishing electric service. When the construction cost of line extension is estimated to be greater than \$50,000, the Association reserves the right to administer independently on these situations on their own merits and without reference to the other provisions of this regulation.</p> <p>21. When more than one applicant is to be served from a proposed extension, the Association will prorate the estimated cost of those sections of the extension used in common to each affected applicant. Nothing herein shall preclude any applicant from voluntarily assuming more than the applicant's proportionate share of an extension.</p> <p>22. If a consumer under contract ceases to use service, any subsequent landowner who applies for service at that location will be required to assume the obligation of balance of the contract.</p>	
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<p>IV. <u>TEMPORARY SERVICE</u></p> <p>Terms and Conditions:</p> <p>Temporary service applies to residential, commercial, and large power rate classes. It will include increasing capacity for an existing consumer as well as extending electric service to a new consumer.</p> <ul style="list-style-type: none"> a. Applicant must sign an agreement for electric service for a one (1) month minimum term. b. Temporary service normally shall not be continued for a period longer than 18 months, except where heavy construction such as dams or tunnels, etc., are involved. When the period of service in these instances cited herein is longer than 18 months, the Association may continue to render temporary service under the agreements, however in any other instances if the period exceeds 18 months and the consumer or the consumers still desire and request service, it shall then be provided in accordance with all the terms of the extension regulation of the utility applicable to permanent service and without further consideration of the obligation provided in the temporary service agreement. Applicant shall pay the Association as an Aid-in-Construction advance the estimated construction cost of the extension plus the cost of removal of all overhead and underground facilities if such removal is determined to be necessary by the Association. <p>V. <u>EXTENSION REBATE PROGRAM</u></p> <p>Eligibility: Line extensions to residential class services excluding developers.</p> <p style="text-align: center;"><u>Basic Formula:</u> Payment = $\frac{\text{Footage} \times \text{Cost per Foot}}{\text{No. of Services}}$</p> <p>In order to qualify for a rebate, the following requirements must be met:</p> <ul style="list-style-type: none"> 1) To be eligible for future rebates, the minimum cost of the line extension must be greater than or equal to \$5,000. 2) Any consumer contributing to the cost of the original line is eligible for rebates within two years from the date of the contract for the original line, totaling not more than the consumer's original contribution less the amount for his service. However, to receive future rebates, any consumer that contributed to the cost of the original line must remain an active member at that location to receive future rebates for additional connects at the time additional consumers connect. 	
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<p>EXTENSION REBATE PROGRAM (con't.)</p> <ol style="list-style-type: none"> 3) The amount eligible for a rebate shall be based on the actual cost per foot basis. 4) Underground extensions that are tapped will be rebated on an equivalent overhead construction basis, ie., the cost difference of underground vs. overhead construction will not be eligible for rebates. Should the underground cost be less than the equivalent overhead cost, the underground cost shall apply. 5) If the consumer is disconnected for nonpayment for more than 30 days, the consumer shall no longer be eligible for rebate payments. 6) If the consumer is in arrears at the time a rebate is due, that rebate will be first applied to arrears billing, and any remainder will be rebated. <p>VI. <u>LINE EXTENSIONS WHERE NO SERVICE IS REQUIRED</u></p> <p>Line extensions where no service is required are defined as line extensions for which there is no requirement for service by the developer. Such line extensions include but are not limited to those built to real estate subdivisions and development of property for sale.</p> <ol style="list-style-type: none"> 1) The Association will install, own, maintain and operate the electric system to and on the real estate subdivision and/or development. The Association shall determine the layout, design, and capacity of the system. 2) The Applicant shall pay to the Association as an aid-in-construction advance, the estimated construction cost of line extension to provide line extensions to and on the real estate subdivision and/or development necessary to provide service to the expected consumers in said development. Such costs are non-refundable. 3) The Association will provide service to Applicants within the development by separate service agreement in accordance with the line extension regulation of the Association for such service. 4) The developer will provide permanent right-of-way easements acceptable to the Ass'n. for the construction, operation and maintenance of the electric system. <p>Prior to the start of construction, the developer will establish and provide an on-site location of any property corners and boundary lines as required by the Association.</p>	
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Contribution to the Aid of Construction Cost Requirements
September 10, 2008

Overhead Primary Line

	Base Cost	Footage Allowed	Excess Cost per Foot
Single Phase	\$1,500	60	\$6
Maximum cooperative contribution:	One-half of actual cost (Not to exceed \$4000.00)		
Multi Phase	\$3,000	40	\$11
Maximum cooperative contribution:	One-half of actual cost (Not to exceed 150 Horsepower x 25 line feet x Cost per Foot)		

Underground Primary/Secondary Line

	Base Cost	Footage Allowed	Excess Cost per Foot
Single Phase	\$2,500	0	\$9
Maximum cooperative contribution:	One-half of actual cost (Not to exceed \$4000.00)		
Multi Phase	\$5,000	0	\$19
Maximum cooperative contribution:	One-half of actual cost (Not to exceed 150 Horsepower x 25 line feet x Cost per Foot)		

ADDITIONAL TERMS:

Retirement Costs of 50% of Construction Costs will apply if contract is not assumed.

Any unforeseen costs including, but not limited to, Rock, Frost, and Line Boring will be billed.

Service Upgrades will be done on a time and materials basis, using this policy as a guideline unless upgrade will result in a measurable system improvement for the Company.