



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY NO: 402

SUBJECT: RULES AND REGULATIONS CONSUMER SERVICE AND LINE EXTENSION

I. **PURPOSE:**

The purpose of this policy is to define the terms and conditions under which the Cooperative will provide electrical service.

II. **POLICY:**

It shall be the policy of the Cooperative to provide electrical service to any consumer in its service area that becomes a patron, complies with the bylaws, policies, contracts, terms, and conditions of service, as set forth and adopted by the Cooperative Board of Directors. In addition, consumers will remain in compliance with all State and Federal electrical codes and requirements.

III. **RESPONSIBILITY:**

The Cooperative's General Manager/CEO has full authority to interpret this policy and its provisions, applicability of charges and contractual agreements, and to maintain the Cooperative's ability to remain financially solvent in providing said services.

The General Manager/CEO and the Board of Directors will approve line extension contracts that need special provisions.

IV. AGREEMENT FOR ELECTRIC SERVICE:

An “Agreement for Electric Service” is required for each consumer installation, and the standard term is ten years. At the option of the Cooperative, a one-year term may be used for consumers requiring little or no plant investment.

V. TYPES AND COSTS OF SERVICE:

The types and costs of services shall be defined and set forth in the most current adopted cost of service study and approved retail rate tariff sheets by consumer classification. All current rate policies and procedures apply. Classifications are listed here for reference only (see rate tariff sheets): A) Residential, B) Small and Large General Service, C) Irrigation, D) Temporary.

VI. CONSTRUCTION CATEGORIES:

Construction categories, for the purpose of definition and implementation of this policy (categories of construction being overhead or underground), are as follows:

- A. Primary Lines are all electrical facilities required to transport electrical energy from the Cooperative’s transmission transformers to distribution transformers.
- B. Secondary Lines are all facilities required to transport electrical energy from the Cooperative’s distribution transformers to consumer point of delivery.
- C. Line Extensions are the portion of “primary line” that are required to be constructed from an existing power line to a new location and is not a subdivision backbone line.
- D. Backbone Lines are the portions of “primary line” as designated by the Cooperative that are within and provide service for subdivision and private development use.

VII. TYPES AND COSTS OF ELECTRICAL FACILITIES AND CONSTRUCTION:

The costs to provide electrical power line extensions, improvements and/or facilities required to make service available shall be per the provisions of this and other applicable Cooperative policies. The following terms, conditions, and methods of categorizing construction costs are as follows:

- A. “Advance on Construction” is that sum of money paid for “primary line extensions,” which are not within subdivision or development areas. Advance on construction may be partially rebated in conjunction with a “proportional share” calculation per terms and conditions of this policy.
- B. “Aid to Construction” is that sum of money paid toward the construction of electrical facilities, as per the provisions of this policy and/or at the Cooperative’s discretion, as deemed necessary for its security.
- C. “Construction Guarantee” is that sum of money that may be required to guarantee against Cooperative loss of non-salvageable material, labor, or other construction expenses or facilities, when adequate security is not provided by other provisions of this policy. A construction guarantee, without interest, will be refunded over the term of the “agreement for electrical service” in equal annual energy credits, or when the Cooperative deems the consumers permanent facilities and electric usage are adequate security.
- D. “Engineering Fee” is a seventy five dollar (\$75) fee that must be provided to the Cooperative in order for a job cost estimate to be calculated. An adjustment will be made when the actual costs have been determined and a credit allowance for the engineering fee will be given. If, after 1 (one) year, the job does not have a scheduled start date the \$75 engineering fee shall be forfeited to the Cooperative.

VIII. PROVISIONS FOR SERVICE AND LINE EXTENSION:

- A. Proportional Share: A patron requesting an electrical attachment on an existing line extension, meeting proportional share criteria, shall pay a proportional share of the existing line extension plus new line extension

costs. The proportional share will be as defined herein and per terms, conditions, limits of this policy. "Proportional share" is subject to approval of the Cooperative's General Manager/CEO.

Application Criteria:

1. A patron proposing to attach directly to an existing line extension within a five-year term of the original installation of said line will be required to pay a proportional share of that existing primary line as defined herein, and will also be required to pay for additional line extension per provisions of this policy.
2. Attachments, line extensions to or within sub-division/developments (backbone line) do not qualify for or initiate a proportional share rebate.
3. The proportional share calculation will be based on the initial "advance of construction costs" for said extension. The initial line extension costs will be adjusted for any prior proportional share rebates, and depreciation at three percent (3%) per year. The total adjusted Line Extension Advance costs will then be divided by the initial per foot of primary line extension, and each patron shall be apportioned their applicable costs per foot.
4. Each patron will be considered to have equal capacity and costs per foot, unless the Cooperative deems that one consumer's capacity significantly impacts the primary line and costs. If so, then the patron may be required to pay a greater proportional share based on KW phase, or other applicable means determined by the Cooperative.
5. Any proportional share amount over \$200 that is owed to one patron by the addition of another patron, as specified herein shall be collected by the Cooperative and rebated to the patron owed by crediting same to his account or directly to said patron. The Cooperative will make all reasonable efforts to enforce this provision, but the ultimate responsibility to notify the Cooperative of a proportional share connection is the patron's.

6. The term of remaining years on the existing line extension and Agreement for Electrical Service will not be changed, and any additional line extension will be the standard term of years.

B. Secondary Service:

Secondary service will be provided to a point of delivery determined by the Cooperative in the following manner:

1. A New Service, the type and location, determined by the Cooperative, being (overhead, underground) will be provided as an aid to construction. The cost of providing secondary facilities will be a base cost plus a cost per foot for applicable conductors. The base cost of (\$500) for secondary facilities includes the transformer or transformers (whether existing or needed) and the meter. Additional construction units will be charged at the Cooperative's standard unit cost.
2. Upgrades of consumer's secondary service facilities will follow this policy and be paid by the consumer.
3. For a consumer requiring service where the Cooperative has adequate existing service facilities including existing transformer, and who does not require any additions, a minimum charge of \$500.
4. A consumer requiring a conversion from overhead to underground service shall pay the actual cost of such conversion.
5. The Cooperative requires the consumer provide his/her own conduit, trench and backfill for underground secondary, and same will be done in accordance with the Cooperative's construction specifications and to its satisfaction.
6. A consumer requiring a secondary service on an existing primary line may be subject to a proportional share charge, as per provisions of this policy.

D. Subdivisions and Developments:

Subdivisions and developments are considered to be any parcel of real property divided into lots or blocks and/or any real property being developed,

such as multiple dwelling units, condominiums, recreational facilities or other unspecified privately developed facilities. Subdivision and developments will be required to comply with the following specific requirements, as well as all other provisions of this policy.

1. The Cooperative and the Developer will enter into an “agreement for service” to the subdivision or development that will establish the conditions under which the primary electric “backbone system” will be provided.
2. The initial and ensuing installation(s) of the primary backbone system will be established and agreed upon by the Cooperative and the Developer, insuring an adequate and comprehensive system.
3. If a line extension is required to reach the subdivision or development, then the line extension will be estimated separately and be governed by the general provisions of this policy. Any line extensions made within a subdivision will not be used or cause a recalculation for rebate to the original line extension. The portion within the subdivision/development (backbone) will be estimated per standard unit costs and paid by the developer prior to construction as an “aid of construction”. The Cooperative reserves the sole right to extend new facilities from an existing subdivision backbone system without reimbursement to the developer or individual lot owners.
4. The estimate for the subdivision/development will include all costs on a standard unit basis for all electrical facilities that are to be initially installed, less meters and transformers.
5. The secondary service to the consumers will be provided pursuant to the secondary provisions of this policy upon request of the individual consumers.
6. The Developer/Owner will be required to provide the Cooperative with an adequate easement to construct, operate, maintain, and extend the

electrical system, at no cost to the Cooperative. The location and width of such an easement must be as required by the Cooperative.

7. The Developer/Owner will provide the Cooperative an approved design, plat, and electrical loading information before the Cooperative will be required to estimate any installations.
8. Acceptance of the estimate and prepayment of construction costs will be required prior to commencement of construction. Actual construction is contingent upon weather, material procurement, and project scheduling.
9. At the time when a prospective consumer requests service in a platted and recorded subdivision which does not have a backbone line installed, and where the developer/owner has sold portions and not provided electrical facilities, the Cooperative may assist individual consumers by providing service as specified herein.
 - a. The Cooperative may provide a base estimate and collect as an "Aid to Construction" the average primary cost per lot. However, the consumer requesting service shall pay for each lot he/she owns.
 - b. The base estimate will include all costs to fully develop said subdivision less meters and transformers.
 - c. The secondary facilities will be provided per secondary provisions of this policy.
 - d. Any primary line extension required to extend the Cooperative's facilities to the subdivision will be included in the base estimate and will not be subject to a proportional share rebate.

E. Temporary Service:

Temporary service is contingent upon available capacity at the point of delivery and does not obligate the Cooperative to furnish service after disconnection. The base cost for a temporary service shall be one thousand and five hundred dollars (\$1,500.00). No construction credits are applicable

and no other obligations are assumed by the Cooperative. The monthly billing shall be in accordance with the terms of the effective rate schedule. The minimum billing period is six months. Where it is necessary for the Cooperative to extend lines, erect poles, install transformers, or make enlargements of any part of its system the temporary consumer shall pay, prior to construction, all costs incurred by the Cooperative for such service. Adjustments will be made for removal and credit of salvaged material with the consumer upon termination of service.

F. Design Criteria:

The Cooperative reserves the right to stipulate electrical design criteria including, but not limited to, the location of electrical facilities, the number of phases required, the use of overhead or underground power line, maximum horsepower, and voltage stipulations.

G. Construction & Stipulations:

The Cooperative reserves the right to commence or cease construction of facilities contingent upon legal or easement considerations, climate and weather conditions, geographical problems with rock trenching, wetlands, archaeological or endangered species considerations.

IX. CANCELLATION OF SERVICE:

Cancellation of service may be made after all contractual and/or agreements for electric service have been fulfilled, by giving thirty (30) days written notice from either party to the other. An account or service which has been cancelled shall not be eligible for proportional share rebate.

X. OWNERSHIP:

The Cooperative reserves the sole right of ownership and the right to install, maintain, and operate all Cooperative electrical facilities, and to retire any idle facilities. At the discretion of the Cooperative, a facility may be installed through an agreement with a qualified contractor. The Cooperative shall determine to its

own satisfaction the qualifications of the contractor. The contractor will be retained and supervised by the Cooperative.

XI. RECONCILIATION:

Once construction of facilities is complete, the Cooperative will reconcile actual costs for construction. The Cooperative will refund monies to the member-owner or developer if actual costs are less than the estimated costs by comparing the actual costs incurred to the estimated cost and aid-to-construction received. The Cooperative will bill the member-owner if the cost exceeds the aid-to-construction received by the member-owner or developer. However, if the difference equates to \$100 or less, then no refund or bill will be given.

XII. APPROVAL:

This policy supersedes any existing policy or policies that may be in conflict with the provisions of this policy and does not represent a contract between the Cooperative and the consumer. This policy may be changed and/or updated as required with the approval of the Board of Directors of Cooperative and other applicable agencies or governing bodies.

APPROVED BY THE BOARD OF DIRECTORS



Doug Schmier, President

DATE EFFECTIVE: April 18, 1988

DATE REVISED: March 18, 1996

February 27, 2012

April 27, 2015

May 22, 2017