

# **GLACIER ELECTRIC COOPERATIVE, INC.**

**POLICY: #504**

## **LINE EXTENSION POLICY**

### **I. OBJECTIVE**

To provide a fair and consistent method for charging and administering fees for the extension of distribution facilities.

### **II. GENERAL POLICIES**

#### **A. APPLICATION**

This line extension policy applies to all distribution line extensions for residential, seasonal, irrigation, oil wells, subdivisions, and commercial services under appropriate pricing schedules. The following general policies apply to all services. Specific policies which differ according to the type of service are stated separately.

#### **B. EXTENSION CRITERIA**

The policy of the Cooperative is to extend service to prospective member(s) in all areas within or adjacent to service territory now being served by existing facilities of the Cooperative, in conformity with the Montana Territorial Integrity Act of 2007, as amended, provided it is financially and technically feasible for the Cooperative.

#### **C. POWER QUALITY**

The Cooperative does not guarantee constant or uninterrupted delivery of electric service. It shall have no liability to its members or any other persons for any interruption, suspension, curtailment or fluctuation in electric service or for any loss or damage caused thereby if such interruption, suspension, curtailment or fluctuation results from causes beyond the Cooperative's reasonable control. This includes repair, maintenance, improvement, renewal or replacement, and automatic or manual actions taken by the Cooperative, which in its sole discretion are necessary or prudent to protect performance, integrity, reliability or stability of the Cooperative's facilities, and safety of Cooperative personnel and the general public.

#### **D. EASEMENTS - RIGHT OF WAY CLEARING**

Members, by virtue of their membership of Glacier Electric Cooperative shall grant to the Cooperative, without charge, necessary right of way easements for its lines to follow reasonable routes within the limits of normal engineering practices or as otherwise agreed to by the member and the Cooperative. Members, by their membership, further agree to provide right of way easements for extending power lines to their neighbors and all others free of charge along reasonable routes. The term "reasonable routes" means that route or routes that make the most logical and logistical sense based on all factors. These factors include, but are not limited to, expense of all parties, terrain, impact on the property values of all parties, and the cost of litigation or other conflict resolution, etc.

The Cooperative reserves unto itself the exclusive right to evaluate any easement controversy on a case by case basis and to make its determination based on the facts of the case. The Cooperative is not

bound by its historical determinations regarding easement disputes, but will base each decision on the facts of a case.

The Cooperative and its contractors shall be permitted to enter upon the prospective members' property to install, remove, maintain, inspect and repair the Cooperative's electrical equipment and members' interface equipment.

The prospective member 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. The prospective member shall perform any required right-of-way clearing before construction may begin.

The Cooperative will not pay for distribution line right-of-way easements.

#### **E. DEPOSIT**

A deposit may be required in advance for work done in supplying estimates where field investigation or extensive engineering is required.

#### **F. RECONNECTION OF RETIRED SERVICES**

An application to reinstate a retired line extension or service will be treated as a new line extension unless the Cooperative, in its sole discretion, finds that circumstances exist which justify a departure from such treatment.

If a service is removed, and the property owner that authorized the removal of service, later desires service to be restored at the same or similar location, they must pay 100% of the new construction costs, in advance.

#### **G. OWNERSHIP OF FACILITIES**

All extensions up to the metering point, whether financed by individual, developer, or the Cooperative, shall become Cooperative property and be retained and maintained by the Cooperative in accordance with general practices of the Cooperative.

#### **H. PRICING SCHEDULES**

Nothing contained in this policy shall be construed to nullify or void any provisions of regularly adopted pricing schedules of the Cooperative.

#### **I. COST ESTIMATES**

The Cooperative will determine the cost of a line extension in accordance with standard engineering cost estimating procedures prior to construction. Transformers and selected metering equipment will not be included in the estimated cost. Estimates will be valid for 90 days under normal conditions.

#### **J. CONVERSIONS - SERVICE IMPROVEMENTS - UPGRADES**

The cost of converting from single phase service to multiphase service or from overhead to underground service will be paid entirely by the member, unless the service is being upgraded or there is some advantage to the Cooperative in the conversion. In that event, the Cooperative may, in its sole discretion, share in the cost of the conversion.

The cost of improvement or upgrade of a service to increase the capacity of an existing secondary service will be borne 100% by the Cooperative. Additional improvements requested by a member of no benefit to the Cooperative will be borne 100% by the member.

#### **K. ABANDONED SERVICES**

All line extensions are the property of the Cooperative to own, operate and maintain regardless of the member's contribution to construction. Power lines and fixtures not utilized for one year will be considered abandoned. Abandoned services and equipment may be removed, at the Cooperative's sole discretion. Efforts of notification of the member will be limited to current Cooperative billing records.

### **III. GENERAL OVERHEAD AND UNDERGROUND SERVICE LINE EXTENSIONS**

#### **A. APPLICATION**

For the purposes of this policy, general service line extension is defined as a primary single and three phase overhead and underground service to residential, seasonal, oil well, subdivision, irrigation, and small commercial accounts and public entity accounts. The member is required to complete and sign a request for service form for each new service.

##### **1. Application Deposit**

Upon completing and signing a request for service form, the member will be charged a deposit of \$200. When construction is completed, the deposit will be credited to the cost of the new line extension. If the request for service is inactive for 3 months, the request for service order will be closed and the member will be required to submit a new application and deposit.

#### **B. PAYMENTS FOR EXTENSIONS OF SERVICE OR CHANGES IN SERVICE**

##### **1. New Services -- Cost Sharing**

It is the policy of the Cooperative to share a portion of the cost of new line extensions for residential, seasonal, oil well, irrigation, subdivision, and small commercial service. Prior to construction of a new

service, the Cooperative shall prepare an estimate of the cost of construction, which shall be valid for a period of 90 days from the date of completion of the estimate. The member shall pay to the Cooperative its contribution to the cost of the extension based upon the estimate and shall be responsible for all costs of procurement and fees incurred for all necessary permits and rights of way prior to construction. Prospective members' contributions shall be paid in full within 3 months of the receipt of the estimate. The Cooperative's share of the line extension cost will be as shown below. Any costs in excess of the following will be paid entirely by the member.

**TYPE OF SERVICE**

**ALLOWANCE**

1. General Service

\$3,000.00

General service applies to distribution line extensions for residential, seasonal, irrigation, oil well, subdivision, and small commercial service.

**C. REFUNDS**

When the estimated cost of a line extension exceeds \$3,000 the member may be entitled to receive a refund of a portion of the cost when new members take service from the same extension during the five years following completion. For each of the next two new members taking service from the same basic extension, the original member will receive a refund of the lesser of 33% of the original cost over \$3,000, or the cost the new member would have borne if the original extension had not been in place. The Cooperative will collect the sums due from the new members and refund the sums to the original member. Such refunds will reside with the original new member and are not transferable.

**D. SUBDIVISION**

Subdivision is defined as a development of five or more lots or plats developed with existing structures. The Cooperative will contribute to the cost of a new line extension based on the sum of the number of meters times the general service allowance.

**E. SECURITY LIGHTS**

The member will pay a flat fee for the installation of a security light according to the following schedule:

Light installed on existing pole                      \$150.00

Overhead service to new pole                      \$350.00

The above costs will apply to installations within 150 feet of the Cooperative's existing transformer or existing secondary wires. Members desiring security lights requiring an additional transformer or at a greater distance will bear all of the additional installation cost.

Monthly billing fees will be charged according to the current Lighting schedule.

Charges for lights shall be submitted on the member's regular electric power bill and shall be due upon presentation, except as provided in individual contracts where an annual charge may be made, payable in advance such as in a street lighting district.

#### **IV. LARGE POWER/INDUSTRIAL LINE EXTENSIONS**

##### **A. APPLICATION**

For the purposes of this policy, large power or industrial services are defined as three phase services over 500 KVA initial installed capacity or an aggregate of load over 500 KVA by a member.

##### **B. PAYMENT FOR EXTENSIONS**

The Cooperative Board of Trustees reserves the right to review all large power or industrial service line extension contributions and to make appropriate determination with respect thereto.

#### **V. RESPONSIBILITY**

The General Manager shall be responsible to implement this policy.

Effective Date: \_\_\_\_\_ Board of Trustee – President

Signature: \_\_\_\_\_

A handwritten signature in blue ink, appearing to read "Peter R. Brenner", is written over a horizontal line.