

**TRI-COUNTY RURAL ELECTRIC COOPERATIVE, INC.**

**POLICY BULLETIN NO 3-4**

**SUBJECT: LINE EXTENSION**

**I. POLICY:**

A. Single-Phase:

A line extension payment shall be required of any member requesting single phase electrical service where construction costs are estimated to exceed the cost to serve the member at the secondary voltage level.

B. Three-Phase:

Since every three-phase extension differs significantly, each three-phase request shall be considered individually. A payment shall be required of the member as will justify the construction of this extension.

**II. PROCEDURE:**

**Engineering Design and Estimates**

A. A design fee (see Schedule of Fees) will be assessed for all engineering design/estimates. This fee, payable to the cooperative, must be received before commencement of the design work. This fee is nonrefundable.

B. Cost estimates shall be valid for a period of 6 months from the date the final estimate is issued.

1. Single Phase:

a) The line extension payment is required when determined to be applicable by the cooperative and shall be remitted in legal tender before construction begins. This fee is non-refundable once construction has begun.

b) The line extension payment shall be the calculated difference between the engineer's estimated cost to provide electric service and the cost to provide the member service at the secondary voltage level. This difference is  $b)1$  minus  $b)2$  as defined below:

1. The cost of construction shall be determined as designed by the engineer and estimated in the shop using current labor rates and material prices.
  2. The cost to provide electric service to the member at the secondary voltage level shall include all costs associated with the transformer installation and low voltage service conductors to the members meter base.
- c) Line Extension Credit
1. New residential members shall be entitled to 100 percent of the secondary service cost calculated above.
  2. In determining residential accounts, in accordance with Policy 3-23, management will use a calculation of a minimum average annual use. In addition, the residence being served must be a permanent residence.
  3. Line extensions into subdivision will be borne by the developer and the cooperative as determined by management.
- d) A line extension payment can be divided among two or more members who will be served by the same line extension at time of construction.
- e) The line extension payment requested by the co-op shall hold firm as quoted for a period of six (6) months. After this period, the line extension shall be recalculated based on current labor costs and material prices.
- f) If another member connects to this line within three years of the date of construction, the new member shall remit to the cooperative half the actual cost of construction up to his point of connection. The cooperative will refund this amount to the original member. This process shall continue for each additional member with every prior member receiving a partial refund. No member shall receive more than they paid. Refunds shall be available for three years after the date of completion of the original construction.
2. Three-Phase:
- a) The cost of construction shall be determined as designed by the engineer and estimated in the shop using current construction and labor costs and current material prices.
  - b) The cost of the job shall be borne solely by the member.

- c) This payment shall be remitted in cash before construction can begin. This fee is non-refundable once construction has begun.
- d) Due to the significant investment and complexity involved with a three-phase extension, no refunds shall be available as additional members connect to the line extension.

**III. RESPONSIBILITY:**

President & CEO or Designee

Approved: 11/24/72.

Reviewed: 11/18/86, 10/20/92, 11/20/94, 11/19/96, 11/26/02, 11/04/04.

Revised: 12/23/74, 9/16/80, 12/8/80, 1/19/82, 5/9/83, 4/21/87, 4/19/88, 12/13/88, 3/21/89, 11/20/90, 11/17/98; 11/21/00, 10/24/06, 12/19/06, 11/20/08, 10/26/10.

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