

TRI-COUNTY RURAL ELECTRIC COOPERATIVE, INC.

POLICY BULLETIN NO. 3-4

SUBJECT: DISTRIBUTION LINE EXTENSIONS

I. POLICY:

All transmission and distribution line extensions shall be located and designed by the Cooperative subject to and in compliance with the Retail Supplier Unincorporated Area Certified Territorial Act. It is understood that the procedure established below covers a majority of the circumstances encountered when extending the Cooperative's facilities. The Cooperative reserves the right to change/amend this procedure for extenuating circumstances outside the norm for service extensions.

II. PROCEDURE:

New Project Fee and Estimates

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

Cost estimates shall be valid for a period of six (6) months from the date of issue.

Rights-of-Way/Easements

Whenever practicable, transmission and distribution electric lines owned by the Cooperative will be constructed on rights-of-way secured by easements granted by private landowners. It is the responsibility of the individual, corporation, or developer requesting electric service to procure and record all rights-of-way required prior to the commencement of any electric line construction.

Where a transmission or distribution line is to be constructed, rights-of-way are required from each landowner through which the line will traverse. The Cooperative requires each member/prospective member to execute an easement on the ELECTRIC LINE, RIGHT-OF-WAY EASEMENT FORM provided by the Cooperative. Additionally, the member/prospective member shall be required to secure all necessary rights-of-way from adjacent property owners upon whose land it is necessary to locate the lines.

The Cooperative will discuss plans for location of lines and other related facilities with each landowner; however, it remains the responsibility of the member/prospective member to secure and record all required easements on behalf of the Cooperative.

The Cooperative, by way of the fully executed and recorded ELECTRIC LINE, RIGHT-OF-WAY EASEMENT FORM, has the right to license, permit, apportion and/or assign in whole or in part to arrange for the joint use or occupancy of the pole line or trench and related facilities, by any other person, association or corporation, including but not limited to cable television and communications suppliers.

Permits/Rents

Permits are required from the PA State Department of Conservation and Natural Resources (DCNR), the PA State Game Commission (PASGC), and railroad companies throughout the Commonwealth whenever a transmission or distribution line traverses PA state forest land, PA state park property, PA state game lands, or railroad property. These permits carry an annual fee and are referred to as rent. Annual rent can be as low as a few dollars and as high as several thousand dollars. Annual rents are subject to increases as approved by the regulatory agency having jurisdiction over them and may increase as frequently as annually if approved. The Cooperative will make every attempt to avoid constructing transmission and distribution facilities on or over such lands where a permit and annual rent payment is required. In the event that this situation cannot be avoided and the member understands that the only option to provide electric service to the member is through the lands described above, the member shall bear the burden of paying the annual rent to Tri-County in addition to his monthly electric bill. Where electric service is provided to multiple members through permitted property, the annual rent will be split evenly amongst the members. This will be binding on all subsequent property owners of such members, including those that split the cost of the annual rent, and all such members are required to put all subsequent property owners on written notice of their responsibility to pay annual rents, and the possibility of increase thereto in accordance to this policy.

Right-of-Way Clearing

The Cooperative must ensure the rights-of-way are completely cleared to current specifications as indicated on each ELECTRIC LINE, RIGHT-OF-WAY EASEMENT FORM in the corridor the electric line is to be constructed. The specified right-of-way widths for varying construction types are as follows:

1. Bare primary overhead line – forty (40) foot wide strip (twenty (20) feet each side of centerline)
2. Covered primary overhead line – twenty (20) foot wide strip (ten (10) feet each side of centerline)
3. Primary underground cable – twenty (20) foot wide strip (ten (10) feet each side of centerline)
4. Secondary overhead/underground wire – ten (10) foot wide strip (five (5) feet each side of centerline)

The Cooperative hires professional tree trimming companies to both maintain existing rights-of-way and establish new rights-of-way for new electric facilities. These companies are professional, fully insured, and completely familiar with the Cooperative's right-of-way specifications. Prospective members requesting new service are encouraged to have the Cooperative contracted tree companies establish new right-of-way corridors (see Schedule of Fees).

Members/prospective members have the option to establish new right-of-way corridors on their property ONLY. The new right-of-way corridor must be cut to the Cooperative's specifications and is subject to inspection by Cooperative personnel. No new electric facilities will be constructed until the right-of-way corridor meets the Cooperative's line cutting specifications.

Types of Service Available

A. Single Phase Service to New Permanent Residential Installations

Permanent Residential Services are those services that provide 120/240 service voltage to homes occupied year round as the member's fulltime place of residence with working domestic water supply and fully functional septic system.

Permanent residential members will receive an allowance for the construction of poles, conductors, transformers, and related equipment up to an amount approved annually by the Board of Directors (see Schedule of Fees). This allowance is the Line Extension Residential Credit.

Construction costs in excess of the Line Extension Residential Credit (Contribution in Aid of Construction or CIAC) shall be paid by the member in advance of construction. This Contribution in Aid of Construction is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and directly attributable overhead costs and is non-refundable.

B. Single Phase Service to New Non-Permanent, Seasonal, and Miscellaneous Installations

Non-Permanent, Seasonal, or Miscellaneous services are those services that provide 120/240 service voltage to residences, garages, pole buildings, barns, recreational vehicles (RVs), recreational sites, and other services of a speculative nature that are not occupied full time.

Non-Permanent, Seasonal, and Miscellaneous services will receive an allowance for the construction of the service up to an amount approved annually by the Board of Directors (see Schedule of Fees). This allowance is the Non-Permanent Line Extension Credit.

Construction costs in excess of the Non-Permanent Line Extension Credit (Contribution in Aid of Construction or CIAC) shall be paid by the member in advance of construction. This Contribution in Aid of Construction is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and directly attributable overhead costs and is non-refundable.

C. Service to Non Factory Farms and other Agricultural Related Production Facilities

New permanent service to farms or existing farms are those services that are used continuously in the direct operations of the farm and are not considered factory farms. Large scale industrial farms used for the exclusive purpose of raising a large number of livestock indoors for the sole purpose of maximizing production and profit do not qualify for farm service.

Construction costs shall be paid by the member in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and directly attributable overhead costs and is non-refundable.

D. Service to Commercial and Industrial Businesses

Commercial and industrial business services are those used to provide electrical service to businesses engaged in the sale, trade, or manufacture of goods and services and do not fit any of the service categories described above.

Due to the size and specific nature of commercial and industrial businesses, members/prospective members requesting service for commercial/industrial use shall be required to complete a New Electric Service – Request for Information sheet. Information provided on this sheet shall be used to properly size the transformer/transformer bank and service to the new business.

Construction costs shall be paid by the member in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs and is non-refundable.

E. Primary Metered Service

Primary metered services are those in which electric service is taken at the primary voltage of 12,470Y/7200 volts. The Cooperative shall provide all metering upstream of the member- owned primary facilities, transformer(s), and secondary facilities. All equipment located downstream of the Cooperative-owned metering shall be owned and maintained by the member. The Cooperative shall specify the type and means of disconnecting equipment that is required to be installed downstream of the Cooperative's metering and that will be interconnected to the Cooperative's primary facilities. Please refer to the Cooperatives Primary Metered Service Specification for more details.

Due to the specific nature of primary metered services, members/prospective members requesting primary service shall be required to complete a New Electric Service – Request for Information sheet. Information provided on this sheet shall be used to size the metering package and determine the facilities required to serve the new service.

Members served from a primary metering point shall not extend primary facilities to other consumers for the purposes of resale to said consumers. Members served from a primary metering point shall extend electrical service only to facilities owned by the member. The Cooperative shall be apprised of any increased loading due to facility and/or equipment additions.

Construction costs shall be paid by the member in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs and is non-refundable.

F. Residential Developments with “Utility-ready Lots”

Subject to Pennsylvania Code Title 52, Chapter 57, Subchapter H – Titled “Underground Electrical Service in new Residential Developments”, underground electrical distribution/service is mandatory in any development in which a developer

has provided infrastructure improvements (grading, streets, and sidewalks) and “utility-ready lots”. Underground distribution/service is not mandatory or required for subdivided tracts of land which are not being sold as utility-ready lots.

Upon planning commission approval, the developer shall submit an electronic copy of the approved and recorded plot plan of the development and the lot layout. Said plans shall depict all streets, sidewalks, curbs, and water and sewer lines and shall have been approved by any and all agencies having the appropriate jurisdiction.

The developer shall be responsible to clear the ground (where the distribution lines, service lines, and related facilities such as hand holes, transformers, sectionalizing cabinets, or other devices are to be installed) of trees, stumps, and other obstructions. The developer shall bring grade to within six (6) inches of final grade, set corner pins on all lots and provide trenching and backfilling for installing all electric facilities. All work relating to underground electric service shall conform to Cooperative requirements and is subject to inspection and approval by the Cooperative. The developer shall also be responsible to provide grade stakes at the location of each transformer, sectionalizing cabinet, and hand hole/vault.

The developer shall request service at such time that the electrical infrastructure may be installed before curbs, pavements, and sidewalks are laid; shall carefully coordinate scheduling of the Cooperatives facilities with the general project construction schedule, including coordination with other utilities sharing the same trench; shall keep the electric facility line route clear of machinery and other obstructions when the line installation crew is scheduled to appear; and shall cooperate with the Cooperative to avoid unnecessary costs and delay.

Construction costs shall be paid by the developer in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs and is non-refundable.

G. Residential Service to Unimproved “Non-Utility-Ready Lots”

A subdivision approved by the Planning Commission in which the subdivider only intends to divide a tract of land into building lots which are not to be sold as “utility-ready lots”.

Upon planning commission approval, the subdivider shall submit an electronic copy of the approved and recorded plot plan of the development and the lot layout. The subdivider shall be responsible for providing an Electric Line, Right-of-Way Easement for Cooperative-owned facilities for the entire subdivision and follow the guidelines established in the Rights of Way / Easements section above.

The Cooperative shall establish the cost to construct primary electrical distribution facilities to each lot based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs. This cost divided evenly by the number of lots in the subdivision shall be known as the “lot fee”. The “lot fee”, as established in the first year, shall be incrementally adjusted annually by the Cooperatives debt service interest rate until said time all lots have paid the “lot fee” for electric service.

Members shall be charged the “lot fee” plus the cost to extend service to the member’s residence less any Line Extension Credits applicable to the service type. Classifications of residential services have been aforementioned and are defined and described above.

H. Commercial / Industrial Developments

Upon planning commission approval, the developer shall submit an electronic copy of the approved and recorded plot plan of the development and the lot layout. Said plans shall depict all streets, sidewalks, curbs, and water and sewer lines and shall have been approved by any all agencies having the appropriate jurisdiction.

The developer shall be responsible to clear the ground (where the distribution lines, service lines, and related facilities such as hand holes, transformers, sectionalizing cabinets, or other devices are to be installed) of trees, stumps, and other obstructions. The developer shall bring grade to within six (6) inches of final grade, set corner pins on all lots and provide trenching and backfilling for installing all electric facilities. All work relating to underground electric service shall conform to Cooperative requirements and is subject to inspection and approval by the Cooperative. The developer shall also be responsible to provide grade stakes at the location of each transformer, sectionalizing cabinet, and hand hole/vault.

The developer shall request service at such time that the electrical infrastructure may be installed before curbs, pavements, and sidewalks are laid; shall carefully coordinate scheduling of the Cooperative’s facilities with the general project construction schedule, including coordination with other utilities sharing the same trench; shall keep the electric facility line route clear of machinery and other obstructions when the line installation crew is scheduled to appear; and shall cooperate with the Cooperative to avoid unnecessary costs and delay.

Construction costs shall be paid by the developer in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs and is non-refundable.

I. Temporary Service

Temporary service is such that the service shall not become permanent and is used for such purposes as construction or special events of short duration. Temporary services shall be furnished for up to one (1) year. At the conclusion of one (1) year, the temporary service can be extended an additional one (1) year upon satisfactory electrical inspection. Temporary services shall not extend beyond 24 months.

Members requesting temporary service shall be responsible for all costs associated with installing and removing the temporary service in advance of construction. These costs reflect current material, labor, transportation, and overhead costs and are non-refundable.

In the event that both the temporary service conductors and meter can be transferred to a permanent, fully constructed building, the service shall be made permanent at no cost to the member.

Overhead to Underground Conversions

Members requesting conversion of overhead facilities to underground facilities for their convenience/benefit shall be responsible for all costs associated with the conversion. Charges for conversion of existing overhead facilities to underground facilities shall be determined based upon estimated construction costs utilizing current material, labor and transportation costs and shall be added to the cost of removal of the existing overhead facilities.

Inspection of Electric Service Installations

Any new, modified, upgraded electric service entrance facilities, or services that have been disconnected for more than twelve (12) months must be inspected and approved by qualified inspectors who are registered or certified by the Commonwealth of Pennsylvania Department of Labor and Industry pursuant to Pennsylvania's Uniform Construction Code (UCC). This requirement applies to temporary and permanent electric service entrance facilities. All inspection requirements stipulated by the NESC, NEC, state, municipal, local, fire and any and all other applicable codes must be met.

A service passing inspection indicates that the member's service entrance facilities are ready for the introduction or re-introduction of electricity by Tri-County from the electric distribution system. A list of Inspectors who are certified or registered by the Commonwealth of Pennsylvania Department of Labor and Industry and are approved to perform inspections are available by contacting the code enforcement office of the particular municipality where the service is located.

Where approval of a recognized electrical inspection agency is required as outlined above, written notice from the inspection agency (cut-in-card) must be received by the Cooperative before the service is energized. No service shall be energized until the Cooperative receives a valid cut-in-card from the inspection agency. The Cooperative reserves the right to reject any inspection agency or inspector hired by the inspection agency that has failed to properly verify service connections as dictated by the National Electric Code (NEC) and has been notified in writing by the Cooperative.

Line Extension Reimbursement

Members that have paid a Contribution in Aid of Construction (CIAC) for electric line extensions to their residence or business are eligible to receive a reimbursement in the event a new member connects to the line extension within thirty six (36) months. The thirty six (36) month time period shall commence when the meter is set in place to energize the member's service. The reimbursement shall be calculated on a cost per foot basis and the member receiving the reimbursement will be refunded fifty percent (50%) of the cost of the portion of line in common to both members. In no circumstance shall the reimbursement(s) exceed the originating member's CIAC.

Electric Line Modifications and/or Relocations

A change to existing Cooperative facilities and/or the location of existing facilities constitutes an electric line modification/relocation. All electric line modifications and/or relocations are subject to approval by the Cooperative and in no way are member requests for modifications and/or relocations guaranteed.

Members requesting existing electric facilities to be relocated or modified for the sole benefit of the member shall be responsible for all costs associated with said relocation/modification in advance of construction. Where the relocation/modification serves to benefit both the member and the Cooperative, the member shall be responsible for mutually agreeable shared costs (prorated and dependent on the degree of benefit to the Cooperative and the member) associated with said relocation/modification in advance of construction.

In cases where an electrical hazard is identified, the Cooperative will promptly notify the member of the existence of the hazard and work with member to immediately correct it. In the event the hazard was created by construction, site grading, or installation of buildings or other facilities by the member or others within the Cooperative right-of-way, the member shall be responsible for removing or causing to be removed any and all facilities and/or re-establishing previous grades. At the option of the member, and if acceptable to the Cooperative, the electric line/facilities may be relocated by the Cooperative to mitigate the hazard. The member shall be responsible for all costs associated with said relocation/modification in advance of construction.

Interconnected Generation / Independent Power Producers

An Independent Power Producer (IPP) is any entity that owns or operates an electricity generating facility with the sole intent to sell capacity and energy into the grid for profit. IPPs wishing to interconnect with the Cooperative for the purposes of cogeneration or the sole purpose of generating electricity for sale shall bear all costs associated with the interconnection to the Cooperative system.

Prior to interconnecting any form of generation, the IPP requesting interconnection shall pay the Cooperative to perform an Interconnection Engineering Study. The Interconnection Engineering Study shall be used to determine the feasibility of interconnecting the IPP and identify any or all system improvements necessary to safely and adequately interconnect the requesting IPP.

All costs for engineering, design, system improvements, and line extension construction costs shall be born by the IPP and paid in advance of construction. This cost is determined based upon estimated construction costs which reflect current material, labor, contractor, transportation, and overhead costs and is non-refundable.

Members wishing to interconnect an Alternative Energy System (AES) with the Cooperative for the primary purpose of offsetting their electric consumption should refer to Tri-County REC Policy Bulletin No. 3-17 "Alternate Energy Production".

Territorial Decisions

The Retail Electric Supplier Unincorporated Area Certified Territory Act dated July 30, 1975 established distinct service territories for electric utilities in Pennsylvania. There are occasions in which the perspective member could be served from the neighboring utility outside of their certified service territory and vice versa for consumers outside the Cooperative's certified service territory.

While the Cooperative reserves the right to retain or relinquish service within its certified service territory, the Cooperative will entertain requests from prospective members to be relinquished to a neighboring utility if it is deemed to be in the best interest of both the Cooperative and the perspective member. In instances where this is the case, both the Cooperative and the neighboring utility are required to execute, by way of signature, an agreement relinquishing the right to serve the perspective member.

In much the same way the Cooperative reserves the right to retain or relinquish service within its certified service territory, neighboring electric utilities reserve this same right. In cases where the Cooperative is approached by the neighboring utility to serve one of their perspective customers, the Cooperative will entertain said requests from the neighboring utility if it is deemed to be in the best interest of both the Cooperative and the perspective member. In instances where this is the case, both the Cooperative and the neighboring utility are required to execute, by way of signature, an agreement relinquishing the right to serve the perspective customer.

It is noted that the provision of service outside of certified service territory is ultimately dependent upon the mutual agreement of the Cooperative and the neighboring utility. It is not guaranteed to any member.

III. RESPONSIBILITY:

President & CEO or Designee

Approved: 11/24/72.

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, 09/30/13, 08/25/14, 06/28/16.

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