

LINE EXTENSIONS

RULE NO. 9

A. General Provisions:

1. Whenever an applicant(s) requests retail electric service at premises not connected to the Cooperative's distribution system or requests an increase in service to premises already connected and where such increase necessitates additional investment, the Cooperative will design and construct such electrical service to the premises within its distribution system pursuant to the terms and conditions hereinafter set forth.
2. In all cases, the facilities shall be constructed in accordance with the Cooperative's specifications, applicable regulatory authorities and the National Electric Safety Code.
3. Applicant(s) shall execute the Cooperative's right-of-way agreement, granting free of charge to the Cooperative each right-of-way across the applicant's(s') premises as may be required for construction and maintenance necessary to provide electrical service including future expansions to electrical services.
4. The cost of the line extension shall be the total of all expenditures incurred for construction and related costs. The Cooperative may, at its option, construct the extension to a size, capacity or strength greater than that required for the extension requested. If this is done, the cost for this additional construction will not be included in the applicant's cost of the extension. The Cooperative's most current inventory costs will be applied as the cost of the construction units for the extension in determining the total cost of construction. This unitized cost analysis shall be developed by the Cooperative's Engineering Department.
5. When more than one applicant is to be served from a proposed extension, the Cooperative will prorate the cost of those sections of the extension used in common by the applicants.

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ISSUED BY: \_\_\_\_\_  
Randy Ewell, General Manager/CEO

LINE EXTENSIONS (Continued)

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6. All extensions will become part of the Cooperative's distribution system once construction is completed and service is available to the applicant(s). Any additions thereto, requested by new applications, shall be considered as new and separate extensions.

B. Applicability:

Rule 9 is applicable to the Cooperative's entire service territory.

C. Preliminary Investigation and Engineering:

1. When a cost estimate for a line extension proposal is prepared, the Cooperative shall determine the estimated cost of engineering necessary to provide said proposal to the applicant(s). Estimates must be in written form to be valid.
2. If the estimated cost of preliminary engineering for residential services is less than \$200.00, the amount will be included in the cost of the line extension. If it is greater than \$200.00, the amount must be paid in advance.
3. The estimated cost of preliminary engineering for all parceled developments, subdivisions, apartment complexes, commercial loads, industrial loads, irrigation or temporary loads shall be paid prior to an estimate or proposal is prepared and shall be non-refundable.

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D. Cost Financing and Estimates for All Line Extensions and Upgrades:

1. The Cooperative will construct extensions of its electric distribution system to a qualified applicant(s) within a reasonable period of time, and when the Cooperative is satisfied that the annual revenue to be generated under the rate schedule applicable to the extension is continuous, permanent and sufficient to justify the investment therein. The applicant's construction must conform to all Nevada or Utah Revised Statutes (whichever is applicable) and all City, County and State codes. All estimates are calculated using the Cooperative's standard overhead or underground construction method per paragraph A.4. Any additional cost over the original estimated amount, which are caused by the applicant's action(s), shall be the responsibility of the applicant and will be billed to the applicant by the Cooperative.
2. All contributions must be made in cash or cash equivalent, the form of which must be specifically approved by the Cooperative, to the Cooperative before any construction work will be scheduled or before any special materials will be ordered.
3. Line extensions for permanent electrical service through facilities constructed by the Cooperative may be eligible for financing by the Cooperative. Loans to members may be made only in the amount between \$5,000 and \$40,000 and for a term not to exceed five (5) years. Interest on such loans shall be the Cooperative's financial institution's non-discounted published rate for such time period plus one percent (to cover administrative costs). The applicant must sign a Promissory Note and a Deed of Trust and/or other security agreement. The promissory note will be in the amount of the line extension plus any other costs associated with the extension which are due to the Cooperative. Where an appraisal is required, the borrower shall be responsible for the cost of such appraisal and any other costs associated with processing the loan.

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## E. Extensions for Continuous Permanent Residential Service:

1. The Cooperative will provide each permanent residential line extension an allowance based upon the average annual consumption of the residential rate class multiplied by the Cooperative's Plant to Revenue Ratio multiplied by the Cooperative's margins and equities as percent of assets subtracted from 100%; provided, however, that this calculated percentage does not exceed 70%. Example: average annual residential usage x Plant to Revenue Ratio x 100% year-end equity. This established amount will be set annually.
2. If the amount allowed by the Cooperative for the extension is greater than the entire cost of said extension, the applicant shall receive the extension at no cost.
3. If the cost of the primary voltage extension will be greater than the amount allowed by the Cooperative, not greater than \$12,000.00, the applicant shall make a non-refundable contribution in aid of construction equal to the difference between the actual investment cost and the amount allowed by the Cooperative.
4. If the cost of the primary voltage extension is greater than \$12,000.00, the applicant shall make a non-refundable (e.g., refundable from a new applicant requesting a connection to said line) contribution in aid of construction which may be refunded over a five (5) year development period based on the following conditions:

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a. During the term of the development period, the applicant shall be allowed five equal credits (i.e., if no parcel map is in effect) for any line extensions connecting to the original line extension. One of these credits is assigned to said applicant. Any new applicant connecting to the original line extension, in addition to paying any other line extension costs required by the Cooperative, shall be required to pay the Cooperative one-fifth or the prorated amount of the original contribution made by the applicant. The Cooperative shall be responsible for refunding any credits to the original applicant on an annual basis.

F. No allowance(s) or usable-in-power contract(s) will be made for line extensions to parceled developments, subdivisions, apartment complexes, commercial loads, industrial loads, irrigation or temporary loads.

G. Service Upgrades:

1. Service upgrade costs will include all distribution costs required to upgrade the facilities in order to serve the additional load and the transformer costs listed below:

a. Single-phase upgrades:

1. Each additional ~100 amps of load (e.g., based on applicant's new panel rating) requested by the applicant will be charged a prorated amount (e.g., equivalent to 10 KVA for each ~100 amps) of the actual transformer that is required to be installed.

b. Three-phase upgrades:

2. Upgrades of transformers will require the most current replacement cost for a prorated share of the additional KVA of the actual transformer that is required to be installed.

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H. Miscellaneous:

1. If the applicant(s) has not requested the installation of a meter, the Cooperative will bill the applicant the applicable monthly minimum after 30 days from the completion of the construction of the requested extension as set forth in the rate tariff for the applicable class of service.
  
2. Upon cancellation of the construction of a project or if the cooperative determines that there are significant delays (e.g., 6 months of idleness) to the project caused by the applicant(s), the cooperative may terminate the work order and refund to the applicant(s) any unspent funds held by the cooperative for the project.

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