

PRIMARY TRANSMISSION LINE EXTENSIONS

RULE NO. 9T

A. General Provisions:

1. Whenever an applicant(s) requests retail electric service at premises not connected to the Cooperative's electrical system or requests an increase in service to premises already connected which requires a primary transmission extension (extension with voltage greater than or equal to 69kV) and where such increase necessitates an additional investment of \$100,000.00 or more in transmission facilities, the Cooperative will have the transmission facilities designed and constructed pursuant to the terms and conditions hereinafter set forth. If the additional investment is less than \$100,000.00 the transmission facilities must be designed and constructed as required by the Cooperative.
2. In all cases, the transmission facilities shall be constructed in accordance with the Cooperative's specifications, applicable regulatory authorities and the National Electric Safety Code.
3. Applicant(s) shall obtain the necessary right-of-way for the transmission facilities and execute the Cooperative's right-of-way agreement, granting free of charge to the Cooperative such right-of-way as may be required for construction and maintenance necessary to construct and maintain the transmission facilities.
4. The cost of the transmission line extension shall include the total of all expenditures incurred for design, construction and any and all related costs. The Cooperative may, at its option, construct the extension to a size, capacity or strength greater than that required to serve the applicant. If this is done, the cost of this additional construction will not be included in the applicant's cost of the extension. The Cooperative's most current labor and material costs and service fees will be applied as the cost of the construction units for the extension for work done by the Cooperative and the actual cost incurred by the Cooperative for work done by a contractor hired by the Cooperative, to determine the total cost of construction. This unitized cost analysis shall be developed by the Cooperative's Engineering Department. The applicant(s) shall be responsible for the actual cost of the transmission line extension.

EFFECTIVE DATE: 11/5/2013

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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.

6. All transmission line extensions will become part of the Cooperative's electrical 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 9T is applicable to the Cooperative's entire service territory.

C. Preliminary Investigation and Engineering:

1. When a cost request for a transmission line extension proposal is prepared, the Cooperative shall determine the estimated cost of design and preliminary engineering necessary to provide said proposal to the applicant(s). Estimates must be in written form to be valid.

2. The estimated cost of the design and preliminary engineering must be paid prior to any design or preliminary engineering being performed by the Cooperative and shall be non-refundable.

D. Costs, Financing and Estimates for All Line Extensions and Upgrades:

1. The Cooperative will only begin construction of a transmission line extension after the Cooperative has received a deposit for the estimated cost of design, engineering, construction and any and all related expenses (as set forth in this Rule 9T) from the applicant(s). This payment shall be a non-refundable contribution in aid of construction except as provided as set forth in D.4. below. All estimates are calculated as set forth in paragraph A.4 above.

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If the amount of the applicant(s)' deposit with the Cooperative exceeds the actual cost of the transmission line, the difference will be refunded to the applicant(s). If the actual cost of the transmission line is greater than the applicant(s)' deposit with the Cooperative, the applicant(s) shall make payment of such additional sum to the Cooperative within 15 calendar days of the date of billing by the Cooperative.

2. All payments must be made in cash or cash equivalent, the form of which must be specifically approved by the Cooperative, to the Cooperative before construction work will be scheduled, before any materials will be ordered and before any commitments are made with any entities or agencies as set forth in D.3. below.
3. It is possible that the design, engineering and construction associated with a transmission line may require approval, design or engineering input or additional construction from an entity or agency that has authority over transmission services provided to the Cooperative or has an agreement with the Cooperative regarding or affecting transmission rights within the Cooperative's service territory. In such event, the applicant(s) shall also be required to deposit a non-refundable contribution in aid of construction to cover all the costs and expenses charged to the Cooperative by such entity or agency, at the time such cost and expense estimates are received by the Cooperative or immediately prior to commencement of construction of the transmission line, whichever occurs first, to cover these additional costs and expenses.

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4. The refundable portion of the contribution in aid of construction, set forth in D.1. above, shall be subject to refund over a ten (10) year period (the refund period) commencing on the date that construction of the line extension has been completed. During the refund period, the applicant(s) shall be allowed a prorated credit for any new line extension(s) connection to the original line extension as determined by the Cooperative. Any new applicant(s) connecting to the original line extension shall, in addition to any line extension provisions required by the Cooperative, be required to pay to the Cooperative the prorated share of the original contribution made by the applicant(s) as determined by the Cooperative. The Cooperative shall refund any applicable refunds to the original applicant(s) on an annual basis during the refund period. At the end of the refund period no further refunds shall be given or paid by the Cooperative.

E. Miscellaneous:

1. In the event that the construction of a primary transmission line extension project is terminated by the applicant(s) or if the Cooperative determines that there have been 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. Any retirement costs and expenses incurred by the Cooperative will be deducted from the unspent funds.
2. After the Cooperative energizes the transmission line the applicant(s) shall be required to maintain a Power Factor of ninety five percent (95%). Applicants(s) shall be billed for any equipment or facilities that are required to be added by the Cooperative to the transmission line in order to maintain a 95% Power Factor.

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