

MOON LAKE ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 17

Line Extension Policy

I. GENERAL INFORMATION

A. General Provisions:

1. Service Coverage - Moon Lake Electric Association will provide electric service to all Applicants within the boundaries of its service area under the terms and conditions herein and the Association Regulations.
2. Routes, Easements and Rights' of-Way - The route of a Line Extension shall be selected by the Association. All costs of rights-of-way, easements, or licenses to use land and for the clearing and preparation thereof incurred by the Association shall be included in determining Line Extension cost. The Association shall have the option to acquire at the Applicant's expense, or have the Applicant assist the Association's Right-of-Way Department to acquire rights-of-way, easements and land-use licenses to clear and prepare the land as required by the Association. The Applicant shall allow the Association unencumbered access to the Applicant's premises for all work deemed necessary by the Association. The Applicant may be required to provide proof of ownership of the property. Application may be required to execute an easement in order for Association to use their land for delivery of service under these rules and regulations.
3. Ownership of Facilities - The Association will own, operate and maintain all Line Extensions made under this Policy. Cooperative will not accept ownership or maintenance responsibility of applicant-built lines unless extensions are constructed to RUS specifications and transfer of line extensions have been approved by Association's management. Any applicant-built lines that are requested to be transferred to the Association shall be required to transfer all recorded and documented easements and rights-of-way into the Association's name and shall meet Association's easement requirements.
4. Estimates - Verbal estimates are not binding on the Association. Formal written estimates will be provided to Applicants as they are available upon request.
5. Underground Line Extensions
 - a. The Applicant is responsible for and must furnish the

excavation, bedding material as required, and backfill of trenches according to the Association's specifications. This shall include location and proper protection of all existing underground facilities at the time of excavation.

- b. The Association's installation of primary distribution line will usually be along front lot lines in subdivisions and mobile home parks. Location of facilities shall be at the sole discretion of the Association.

6. Relocation of Lines
 - a. The Association will cooperate with all political subdivisions in the construction, improvement or rehabilitation of public properties by relocating its lines providing:
 1. A proposed engineering plan is provided
 2. Reasonable notice is given
 3. Project costs are agreed upon
 - b. The Association will relocate any poles, anchors, or other facilities located on public right-of-way in accordance with respective applicable franchise agreement with the political subdivision requesting relocation.
 - c. Relocation of lines for individuals shall be at the expense of the person making the request unless the relocation will result in substantial improvement in the Association's facilities or their location.
7. Restrictions - Notwithstanding the provisions of this Regulation, the extension of the Association lines and services shall be subject to such restrictions as may be imposed from time to time, during war or other emergencies, by the laws of the United States, the State of Utah, by executive and administrative proclamations, by orders or regulations of the Public Service Commission of Utah or Colorado or by any lawful order of any regulatory authority or governmental body having jurisdiction.
8. Pro-Rate - Pro-rate refunds for line extensions may be available subject to policies adopted by the Cooperative's board of directors.

B. Definitions:

1. Line Extension shall mean power line facilities and equipment (including transformer(s) and meter), either Primary and/or Secondary Voltages, constructed beyond the Association's existing facilities that will supply electrical service to an Applicant's Point of Delivery.
2. Extension Costs are the Association's total costs for constructing an extension using the company's standard construction methods, including services, lines, transformers, meters, rights-of-way, and other required facilities plus labor, transportation, materials and overhead charges.

3. Applicant shall mean, but is not limited to, any individual, partnership, association, firm, public or private corporation, or governmental agency requesting electrical service from the Association at any specified location.
4. Permanent Service shall mean electrical service to a specified location where the permanency of the service can be reasonably assured.
5. Indeterminate Service shall mean but is not limited to electrical service to certain residences, mines, quarries, oil wells, industrial, manufacturing, and commercial enterprises of a speculative nature, real estate subdivisions, property being developed for sale, enterprises where the Applicant will not be the user of service, locations where there is little or no immediate demand for service, and other service (except that defined hereinafter as "Temporary") where the permanency cannot reasonably be assured.
6. Temporary Service shall mean but not be limited to electrical service to circuses, bazaars, fairs, concessions and similar enterprises, construction projects, etc., and other applications where the duration is reasonably considered to be of a temporary nature.
7. Applicant-Built Line Extension shall mean a primary or secondary voltage line extension constructed for an Applicant by the Applicant's licensed contractor other than the Association or its contractor(s).
8. Contribution-in-Aid to Construction (Contribution) shall mean payment made to the Association for estimated Line Extension costs paid by the Applicant.
9. Primary Voltage shall mean voltage in excess of 600 volts.
10. Secondary Voltage shall mean voltage less than 600 volts.

II. FINANCING ARRANGEMENTS FOR LINE EXTENSIONS

- A. General Provisions - The Association will construct Line Extensions for Applicants under the following financial arrangements:
 1. Permanent Service - The Association will construct a Line Extension for a Permanent Service when the estimated cost of the Line Extension is paid prior to construction.
 2. Indeterminate Service - The Association will construct a Line Extension for an Indeterminate Service when the estimated cost of the Line Extension is paid prior to

construction.

3. Temporary Service - The Association will construct a Line Extension for service classified as Temporary when the estimated cost of constructing and removing the Line Extension is paid prior to construction.
4. Large Industrial Loads - Large industrial loads involving special construction circumstances will be individually analyzed and the provisions of this Extension Policy applied as agreed upon in writing by the parties.
- 5 Adjustments of Construction Contributions:
 - a. Payment for the estimated Line Extension costs will be adjusted to reflect the actual costs. If the actual costs are less than the contribution, the Association will refund the difference as allowed under Association's policies approved by its board of directors. If the actual costs exceed the Contribution, the Applicant will be required to pay the difference when required within written Agreement accepted by both parties prior to construction.
 - b. In the event a new Applicant utilizes a portion of a line paid for or being paid for by another Applicant, a pro-rata contract adjustment or Contribution refund may be made to the original Applicant based upon certain administrative rules determined by the Association.
- 6 Excess Capacity - If the Association elects to install excess capacity in the primary extension to an Applicant for future use by additional consumers, the Association shall bear the incremental costs to install excess capacity above that normally required to serve Applicant. Excess capacity is usually obtained through installation of an increased conductor size and stronger structures.

III. APPLICANT-BUILT LINE EXTENSIONS

A. General

Applicant may contract with a properly Licensed Contractor in the respective State other than the Association to build a Primary or Secondary Voltage Line Extension. Such an extension will be referred hereafter as an Applicant-Built Line Extension. The Applicant must contract with the Association before starting construction of an Applicant-Built Line Extension. When the Applicant-Built Line Extension has been completed and the Association approves it, the Association will connect it to the Association facilities.

B. Liability and Insurance

The Applicant assumes all risks for the construction of an Applicant-Built Line Extension. Before starting construction, the Applicant must furnish a certificate naming the Association as an 'additional insured' for a minimum of \$1,000,000. The Applicant may cancel the policy after the Association accepts ownership of the Line Extension.

C. Construction Standards

The Applicant-Built Line Extension must be constructed in accordance with the Association's design, specifications, and material standards along the Association's selected route. Applicant shall provide final design drawings and GPS surveyed data files to Association for review and acceptance. Applicant-built lines shall be designed and approved by a professional engineer licensed in the state for which the line is built.

Otherwise, the Association will not accept or energize the Applicant-Built Line Extension.

D. Rights-of-Way and Title

The Applicant must provide to the Association all required rights- of-way, easements, an unencumbered title for Applicant-Built Line Extension facilities, and permits on Association forms or forms acceptable to Association, notarized, and in writing prior to the Association accepting ownership of the Applicant-Built Line Extension.

E. Transfer of Ownership

Upon approval of the construction by the Association and following receipt of required written documentation as required by the Association, the Association may assume ownership of and energize the Applicant-Built Line Extension.

The Applicant must provide to the Association all required rights- of-way, easements, an unencumbered title for Applicant-Built Line Extension facilities, and permits on Association forms or forms acceptable to Association, notarized, and in writing prior to the Applicant-Built Line Extension being energized.

F. Deficiencies in Construction

If within 24 months of the time the Association energized the Line Extension, the Association determines that the Applicant provided deficient material or workmanship in the Line Extension, the Applicant must pay the cost to correct the deficiency. At its discretion, the Association may require that the Applicant provide a faithful performance bond before the Applicant begins construction.

G. Pro-Rate

The Association will calculate the value of an Applicant-Built Line Extension using its standard estimating methods. The Association may use this Line Extension value to calculate pro-rates according to policy as approved by the Association's board of directors.