

VERMONT ELECTRIC COOPERATIVE, INC.
LINE EXTENSION POLICY

1. Applicability

This electric service extension policy applies to all single-phase and multi-phase service extensions to customers of the Cooperative.

2. Definitions

(a) **Service Extension:** The electric facilities required to connect the power line existing at the time of request for service to the customer's premises. The service extension shall include all poles, primary wiring, secondary wiring, transformer(s), meter(s), right-of-way acquisition and clearing, trenching and backfilling, installation, and any other one-time cost items associated with serving a new customer. A Service Extension shall include the reestablishment of a previously abandoned Service Extension.

(b) **Service Drop:** A 100-foot overhead power line(s) from the secondary of a transformer(s) to the Delivery Point. The service drop is a minimum overhead secondary electrical connection and shall not include poles, primary wiring, transformer(s), meter(s), right-of-way acquisition and clearing, trenching and backfilling, installation, or any other cost item required to serve a new or relocated customer.

(c) **Service Drop Credit:** Each new single-family residence or individual dwelling unit is entitled to a credit equal to the cost of the service drop(s) as defined above. However, if the cost of a line extension is less than the cost of the service drop(s) as defined above, the amount of the service drop credit shall be the same as the cost of the extension.

(d) **Contributions-In-Aid-Of-Construction:** The monetary contributions to the Cooperative by a customer requesting service to design, furnish, place and construct such primary and secondary service extensions as are necessary to render the service requested.

(e) **Conduit:** The pipe that encloses and protects electric conductors in underground power installations, including necessary fittings and connectors.

(f) **Customer Owned Lines:** Electric service lines, at either primary or secondary voltage, extending from the terminals of the Cooperative's meter on the customer's side to the premises being served.

(g) **Delivery Point:** The point at which the Cooperative owned facilities first connect to the customer-owned facilities. For overhead services the typical Delivery Point is at the customer-owned service entrance cable connectors at the customer's building. For underground services the typical Delivery Point is at the secondary terminals of the transformer¹. For non-

¹ For those services where the underground Delivery Point was the source terminals of the customer-owned meter socket prior to March 15, 2010, the meter socket source terminals will remain the Delivery Point.

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typical Delivery Points the Cooperative's Engineering Department shall identify the specific Delivery Point for the customer. See VEC's website for the "Requirements for Electric Service" document that covers the general requirements for obtaining electric service.

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(h) **Looped Electric Utility Service:** Electric service provided to a customer from a distribution line which receives, or is capable of receiving, its electric supply from both directions of the distribution line.

3. Contributions in Aid of Construction of Service Extension.

Upon written application of the owner of any property, or occupant with the consent of the owner, the Cooperative will furnish, place and construct such primary and secondary service extension as is necessary to render the service requested. The total cost of the service extension, less any credits outlined below, shall be paid by the party requesting the service extension. This requirement is subject to the following conditions/exceptions:

(a) **Line Assessment Charges:** All customer charges for construction of new utility lines shall be based on the actual costs to the Cooperative. However, average costs shall be charged for those elements for which average costs are specified in the tariff.

(b) **Service Drop Credit:** each new customer is entitled to a credit equal to the cost of the service drop(s) as defined above. However, if the cost of a line extension is less than the cost of the service drop(s) as defined above, the amount of the service drop credit shall be the same as the cost of the extension.

(c) **Installation of Conduit:** the additional material cost of installation of conduit for underground primary and secondary line extensions shall be shared equally between the customer and the utility. The cost of trenching and backfilling of the trench shall be the responsibility of the owner of the property.

(d) A new customer shall first execute an agreement to pay VEC the Line Extension charges according to the tariff then in effect, and where applicable shall contract to pay VEC the Contribution-in-Aid-of-Construction for the Line Extension as provided in Section 4. Payment shall be made prior to construction. Additional payment by the customer associated with special construction charges, permits or design changes may be required by the Cooperative prior to the Cooperative energizing the line. In the event the Cooperative consents to energizing the line prior to determination and payment of additional costs, the Customer shall pay any additional payment within thirty (30) days following receipt by the Customer of the Cooperative's billing of such additional payment due. Any payment or refund, due to change in construction, shall be due within thirty (30) days after completion of construction (or of billing, whichever is later).

4. Cost Recovery Period for Contribution-in-Aid-of-Construction:

Whenever more than one customer is connected to said line extension, such contribution in aid of construction, however paid, shall be computed to yield to the Cooperative not more than the total cost of extending or expanding service to the new customer(s) less the service drop credit provided in Section III. Amounts to be collected from new customers connecting to customer financed lines shall be computed as follows:

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(a) For a period of five (5) years from the completion of construction of a line extension, reimbursement from new customers connecting to said line to customers entitled to reimbursements shall be based upon an equal sharing of the full cost of construction of the subject line extension, adjusted to the percentage used of that line extension to the point of connection.

(b) For a period of ten (10) years immediately following the initial five (5) year period discussed in (A) above, reimbursement to customers entitled to reimbursements shall be based upon an equal sharing of the full cost of construction of the subject line extension depreciated at a straight line rate to zero at the end of the ten (10) year period, also adjusted to the percentage of the line extension used to the point of connection.

(c) For each new transaction (defined as one or more new connections at the same time and location) involving a line that is subject to contribution-in-aid-of-construction payments for new connections within the 15-year reimbursement period, an administrative fee based on actual costs not to exceed \$100.00 shall be retained by the Cooperative from the total amount to be reimbursed to customers entitled to reimbursements. If the total amount of all reimbursements owed for each transaction is less than the Cooperative's administrative fee, no reimbursements shall be made.

(d) All line extension reimbursements less the administrative fee shall be paid by the Cooperative to the current owners of the dwellings or structures served by line extensions that are subject to reimbursement payments for new connections, except that reimbursement payments shall be made to any customer who paid for or contributed to the costs of line extensions and who subsequently sold the dwellings or structures originally served prior to the effective date of the Vermont Public Service Board's Order of September 21, 1999, in Docket 5496.

5. Interest on Customer Funds Held by the Cooperative

(a) No interest shall be paid on the initial engineering fee of \$250.00.

(b) No interest shall be paid on funds received in advance of line extension construction and used for the purpose of ordering long lead time specialty items necessary for the subject line extension.

(c) With the exception of items (a) and (b) above, interest shall be paid at the rate of 1% per month, to line extension customers on funds received in advance of construction (unless returned to the customer), from sixty (60) days after the payment is received by the Cooperative to the date of the commencement of the line extension construction.

(d) No interest shall be paid by the Cooperative under item (c) above as a result of construction delays beyond the control of the Cooperative.

(e) Interest to be paid on funds received more than sixty (60) days in advance of the

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commencement of line extension construction may be waived by customers seeking priority status for construction at a specified time as agreed to by both the customer and the Cooperative.

6. Construction Standards

All line extensions shall conform to the latest edition of the National Electrical Safety Code, PUC Rule 5.600, National Electrical Code, VEC's Electric Service Requirements manual, applicable VEC Construction Standards and other state and local codes in effect at the time of construction. A copy of VEC's Electric Service Requirements manual or applicable VEC Construction Standards are available upon request.

7. Use of Private Contractors for Line Extensions

Customers may hire private contractors for construction of routine distribution line extensions. The Cooperative will design the line extension and monitor the construction of these lines at the customer's expense. VEC will accept no responsibility for the performance of contractors hired by a customer, including but not limited to the timeliness of work completion and difficulties associated with complex or difficult construction conditions. Contractors may install used equipment only with the prior written consent of the Cooperative. All poles must be new.

Prior to any construction the Customer must notify the Cooperative of the commencement date of any construction. All primary cable/wire connections to VEC existing facilities shall be made by the Cooperative and the Customer must notify VEC when the customer-built line extension is ready to be energized. At the time the Cooperative connects to the customer-built line extension and energizes the Customer's line, ownership and responsibility for maintenance of the line extension shall transfer to the Cooperative.

8. Appropriate Customer Payment of Contributions-in-Aid-of-Construction for Service Relocations

For all relocated distribution lines that provide a benefit to the Cooperative, customers who request the relocation shall reimburse the Cooperative for distribution line relocations according to the following formula:

Where:	${}^{CP} \text{ TAX ADJ.}$	=	$\text{New Line} + {}^{PV} \text{ DEP} - {}^{SV} \text{ EXISTING}$
	${}^{CP} \text{ TAX ADJ.}$	=	Customer Payment, adjusted for any utility tax liability
	New Line	=	Total cost of relocating the line today
	${}^{PV} \text{ DEP}$	=	Present value of any unrealized depreciation expense associated with the existing line
	${}^{SV} \text{ EXISTING}$	=	Salvage Value of existing line (including line removal costs)

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9. Change in Presumption as to Reimbursements for Contributions-in-Aid-of-Construction

The presumption regarding reimbursements for customer financed lines shall be changed if there is a grantee/grantor relationship between the person connecting to a customer financed line and the person who originally paid for the line to whom a reimbursement would otherwise have been due. In such cases, no reimbursement shall be collected from the connecting customer or paid by the utility to the grantor.

10. Policy Distribution

The Cooperative will provide a copy of its line extension policy to each line extension customer. Moreover, the line extension policy is posted on the Cooperative's website.

11. Ownership of Facilities

Residential customers shall not be allowed to own primary overhead lines. Where the Cooperative and customer agree that such ownership is appropriate, the Cooperative may, at its option, petition the Vermont Public Utility Commission for a waiver of this prohibition. Customers shall be allowed to own primary underground line extensions, provided that the Cooperative notifies the "Dig Safe" program of the location of the line.

12. Where Application Impractical or Unjust

The Cooperative will, to the extent possible, try to accommodate individual customer line extension needs, but no deviations from this tariff will be granted that will result in significant additional maintenance problems for the Cooperative, and additional costs resulting from the accommodation will be the responsibility of the customer. Where the application of these regulations appears impractical or unjust, any party affected by such applications may refer the matter to the Vermont Public Utility Commission for a ruling for the approval of special conditions.

13. Engineering Fee

An applicant who desires any of the following: (a) electric service, (b) requests a line relocation, (c) requests an upgrade in service capacity, or (d) the replacement of customer-owned equipment, shall pay an engineering fee of \$250.00, which will authorize the Cooperative to perform preliminary engineering services. If, after the Cooperative performs preliminary engineering services, the applicant decides to abandon the project, the engineering fee will be non-refundable. If no engineering services have been performed prior to cancellation of the projects, the engineering fee will be refunded. If the applicant subsequently authorizes the Cooperative to construct the electric service extension, relocation, upgrade, or equipment replacement, VEC shall require a prepayment equal to the preliminary estimated cost before any additional engineering or construction services are provided. This prepayment and the \$250.00 engineering fee will be deducted from the total cost of the new line extension or relocation.

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14. Cost Calculations

All costs set forth in Attachment A to this Line Extension Policy tariff are based upon a calculation of the average costs incurred by VEC during a recent twelve-month period for each of the identified construction elements. The additional cost of installation of conduit for underground primary line extensions has been shared equally between the customer and the utility.

15. Short Term Construction Service

A customer who requires electric service for a short period of time, which will not result in a permanent energized service, shall pay a non-refundable fee of \$300.00 to cover the cost of installing and removing such short-term service. Electric service will be limited to six (6) months from the time that the temporary service is initially energized.

16. Permits

Whenever special federal, state or local permits or Act 250 permits are required, the customer shall pay the actual additional costs.

17. Actual Cost Billing

Any work performed by VEC on behalf of a customer associated with line extensions, relocations, upgrades, or equipment replacements, which are not specifically covered by the charges contained in this tariff, will be billed to the customer at VEC's actual costs of performing the service. These charges may include, but are not limited to: voltage regulator installations, reconductoring, three phase services, instrument transformer (i.e., CT, VT) metering, transformer capacities of greater than 50 kVA, inspection fees, and additional engineering fees.

At VEC's sole discretion subject to the discretionary review and approval of the Vermont Public Utility Commission, VEC may recognize net revenues from a category of sales or contributions to utility obligations as contributions to costs which otherwise would be borne by the customer, to the extent that such a contribution would result in a net economic benefit to VEC and its membership within a six-year period and/or contribute to least-cost delivery of distribution network service over time.

18. Modification to Service Equipment after Energization

Members and their Contractors are prohibited from modifying service equipment, without the notification and consent of VEC, and, when required, the appropriate State or Local Inspection Authority. Examples of modifications that require prior notification and consent are:

- Replacing a Service Entrance cable fed from a VEC owned overhead service.

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- Connecting a new, or relocated, building, trailer or structure, to a pre-existing service. This does not apply to connections made from the main panel in the pre-existing building.
- Changes in the buildings or structures, which reduce clearances to, or increase access to, a Utility owned overhead or underground service.
- Changes in the buildings or structures, which reduce clearances or access a meter socket.
- Replacing a member owned underground service fed from a pole meter or pedestal meter.
- Replacing, or adding, a main panel for the purpose of increasing capacity.
- Other actions that may create safety concerns, NESC violations, equipment overloads, or be contradictory to these Service Requirements or VEC Tariffs

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Attachment A

Overhead

<u>Name</u>	<u>Assembly Unit (s)</u>	<u>Tariff Cost</u>
45' Pole with #'s & Ground Assembly	45-2, M52-3, M2-3	\$2,380.00
45' Set by Telephone Company	JO45-P, M52-3, M2-3	\$798.00
40' Pole with #'s & Ground Assembly	40-2, M52-3, M2-3	\$2,156.00
40' Set by Telephone Company	JO40-P, M52-3, M2-3	\$768.00
Conductor	1/0AAAC	\$2.41
Insulated Conductor	1/0 INS	\$4.43
Push Brace	E1-13	\$2,454.00
Pole Guy with strain	E1-2SR	\$416.00
Straight Pole Support	A1-1A	\$509.00
Pole 5/20 angle	A2A	\$531.00
Pole 20/60 angle	A3	\$488.00
Pole 60/90 angle	A4	\$586.00
Deadend	A5	\$349.00
Double Deadend	A6	\$648.00
Overhead Guy with Strain	E2-2SR	\$513.00
Plate Anchor	F1-5	\$1,412.00
14" Screw Anchor	F1-4S	\$914.00
Anchor set by Telephone Company	JOANCHORP	\$165.00
Anchor 10" Helix	F1-3S	\$806.00
Cutout Assembly	M3-4A	\$687.00
Primary Tap	A5-1	\$466.00
Service Guy	E1-1	\$276.00
Overhead Guy	E2-2	\$465.00
Service Assembly Deadend Screw	K10C	\$165.00
Service Assembly Deadend Clevis	K14C	\$182.00
Service Conductor 1/0 Triplex	K3-1/0	\$4.09
Service Conductor #2 Triplex	K3-#2	\$3.33
Ground Assembly with Rod	M2-3	\$466.00
Service Drop Credit		-\$529.00

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Underground

<u>Name</u>	<u>Assembly Unit (s)</u>	<u>Tariff Cost</u>	<u>Material Only</u>
Conductor	UD2-1/0 220	\$8.55	
Conduit credit (material cost shared)	UD-PRI 2.5		-\$3.04
Primary Riser	UM2-ICA 2.5	\$2,345.00	
Conduit Standoff Bracket	M5-27 2.5	\$79.00	
Vault Cover	UM1-4A	\$518.00	
Vault Enclosure	UM1-5	\$1,767.00	
Fiberglass Vault	UM1-4	material only we don't install	\$729.00
Load Break Elbow	UM3-1	\$410.00	
Riser Cutout Assembly	UM3-4R	\$665.00	
Warning Sign	UM6-12A	\$196.00	
Splice	UM6-20	\$679.00	
Jumper	UM6-30	\$810.00	
2 pt module	UM3-02	\$641.00	
3 pt Module	UM3-03	\$581.00	
4 pt Module	UM3-04	\$589.00	
Ground for Vault	UM6-6	material only we don't install	\$123.00
Underground Lighting Arrestor	UM6-7	\$303.00	

Transformers

<u>Name</u>	<u>Assembly Unit (s)</u>	<u>Tariff Cost</u>
10 kVA Pole Mounted Transformer	G105 10	\$3,069.00
15 kVA Pole Mounted Transformer	G105 15	\$3,565.00
25 kVA Pole Mounted Transformer	G105 25	\$3,792.00
50 kVA Pole Mounted Transformer	G105 50	\$5,027.00
15 kVA Pad Mounted Transformer	PAD MT 15	\$4,494.00
25 kVA Pad Mounted Transformer	PAD MT 25	\$5,099.00
50 kVA Pad Mounted Transformer	PAD MT 50	\$5,913.00

Other Charges

<u>Name</u>	<u>Assembly Unit (s)</u>	<u>Tariff Cost</u>
Excavator cost	Off road per pole charge	\$1,248.00
Ledge Set Pole	Ledge Set Pole Incremental Cost	\$491.82
Ledge Set Anchor	Ledge Set Anchor Cost	\$896.00
Traffic Control (per hour) (4 hr minimum)		\$147.00
Tree Trimming (per foot)		Actual Cost
Act 250 Permit		Actual Cost
Other Special Permit Charges		Actual Cost
AOT Permits		Actual Cost
Easements		Actual Cost

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