

Policy No. 318

Installation of Electric Distribution Facilities (Line Extension Policy)

I. Policy Content:

The extension of such facilities beyond the Renville-Sibley Cooperative Power Association (RSCPA) main distribution system shall be classified as follows:

A. Single-phase Residential consumers requiring capacity of 50 kVA or less

1. Where the consumer desires that the electrical line extension serve his or her premises, said extensions will be installed underground; however, the cooperative retains the option to install said extensions overhead or underground, depending upon the type that yields the most practical over its economic life. Items to consider are service reliability, safety, right-of-way, initial cost, operating cost and appearance.
2. Distance shall be measured from station to station or pole to pole as indicated on the staking sheet, beginning at the tap of RSCPA's existing main distribution system and terminating at the point of demarcation.
3. The length of distribution line extension will be measured along the route of the extension from RSCPA's nearest facilities from which the extension can be made to the consumer's point of service. Should RSCPA, for its own reasons, choose a longer route the consumer will not be charged for the additional distance, however if the consumer requests special routing of the line, the consumer will be required to pay the extra cost resulting from the special routing.
4. RSCPA will provide the service extension from the main distribution system to the consumers driveway, a transformer, and a class 200 meter.
5. The consumer will receive a proposal for the following options for payment of the line extension.

First option - The consumer shall pay the cooperative a base fee plus a cost per foot from the start of the driveway to the point of demarcation, as reference in schedule A. If the consumer does not declare this as their permanent residence within 3 years of the service being installed, the consumer will be billed the actual cost of the installation, less the amount previously paid, plus 3% annual compound interest from the date of install.

Second option - The consumer shall pay the cooperative 100% of the actual cost, as the service will not be a primary residence within 3 years of the service installation.

B. Single-phase Residential consumers requiring capacity of 50-kVA or more, all Commercial consumers, Three-Phase consumers, Sub-Development and Loads of Minimal Return:

1. Where the consumer desires that the electrical line extension serve his or her premises, said extensions will be installed underground; however, RSCPA retains the option to install said extensions overhead or underground, depending upon the type that yields the most practical over its economic life. Items to consider are service reliability, safety, right-of-way, initial cost, operating cost and appearance.
2. Distance shall be measured from station to station or pole to pole as indicated on the staking sheet, beginning at the tap of RSCPA's existing main distribution system and terminating at the point of demarcation.
3. The length of distribution line extension will be measured along the route of the extension from RSCPA's nearest facilities from which the extension can be made to the consumer's point of service. Should RSCPA, for its own reasons, choose a longer route the consumer will not be charged for the additional distance, however if the consumer requests special routing of the line, the consumer will be required to pay the extra cost resulting from the special routing.
4. The consumer shall be responsible for 100% of the cost associated with extension from the tap of RSCPA's existing main distribution system and terminating at the point of demarcation.
5. Unless otherwise specified in the service contract, the delivery point shall be the point of demarcation when service is furnished at secondary voltage, or the point of attachment of the seller's primary line to the consumer's primary structure if service is furnished at primary line voltage. All wiring, pole lines and other equipment (except meter) of the load side of the delivery point shall be owned and maintained by the consumer.

C. Distribution Line Extension Cost Sharing:

When CIAC has been paid for the extension of facilities and additional services are built from that line within five (5) years from the date construction is completed, a refund may be available to the person who paid the original CIAC. Such refund shall be based on calculation as defined in the example below. The total of any refunds paid cannot exceed the original CIAC paid along such right-of-way. No such refunds shall apply in platted subdivisions.

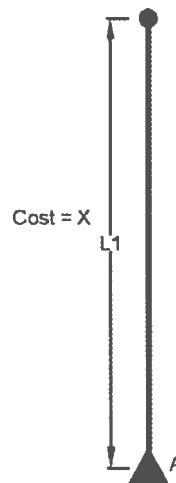
Line Extension Cost Sharing Methodology:

Variables

- A= First Consumer
- B= Second Consumer
- C= Third Consumer
- L1= Length of First Build
- L2= Length of Second Build
- L3= Length of Third Build
- X= CIAC of First Consumer, Not Including Transformer/Meter
- Y= CIAC of Second Consumer for the New Service of L2, Not Including Transformer/Meter
- Z= CIAC of Third Consumer for the New Service of L3, Not Including Transformer/Meter

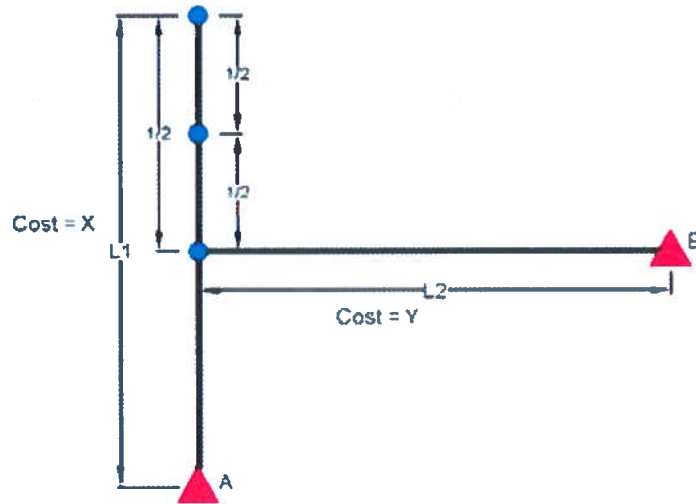
Scenario #1

L1 with CIAC of X paid by A.



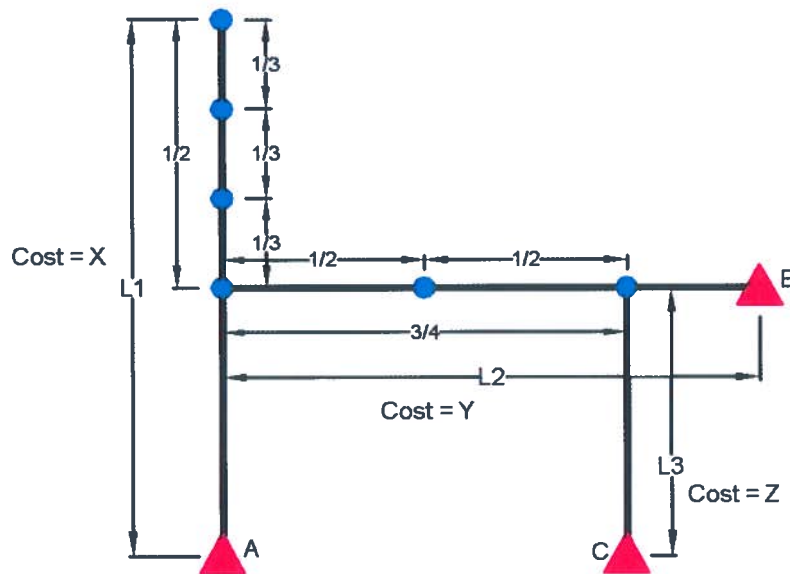
Scenario #2

Within 5 years, B requests interconnection 1/2 of the way along L1 plus a new service extension of L2. B's total CIAC is $(1/4X + Y)$. A is then reimbursed a total of $(1/4X)$. A and B split the cost of the first 1/2 of project L1



Scenario #3

Within 5 years of L1, C requests interconnection 3/4 of the way along L2. C's total CIAC will be $(1/6X + 3/8Y + Z)$. A will be reimbursed $(1/12X)$ and B will be reimbursed $(1/12X + 3/8Y)$. A, B, and C share the first 1/2 of Project L1, splitting it three ways. B and C split 3/4 of the cost of L2.



D. Work Plan Construction:

Construction contained in Work Plans may offset charges per this policy.

E. Replacement of Electric Facilities:

Services that are subject to replacement because of age, condition, or where reliability is unacceptable, will be replaced with a like service at no cost to the customer. RSCPA will also perform reasonable lawn restoration and incur the costs (the customer must take the responsibility to water/care for the lawn).

If at the time RSCPA initiates such a replacement and the customer requests conversion of overhead to underground or an increase in the service size, the customer will pay the difference between RSCPA's estimate for the job under the original plan and the actual cost as constructed under the consumer's request.

In the event that a customer requests replacement or relocation of facilities, RSCPA will calculate the actual charges to install the new facilities plus the removal cost of the existing facilities including all materials. The following credits and conditions may also apply (All credits require prior approval by the CEO before being quoted or applied);

- 1) For facilities 0-35 years old there will be no vintage credit. For facilities over 35 years old, RSCPA will pay 100% for the like to like portion.
- 2) RSCPA may also apply a credit where RSCPA recognizes a benefit because of right-of-way issues or safety issues.
- 3) In cases where replacement is at the customer's request, the customer will be responsible for all reasonable restoration activities and costs.

F. Demand and Power Factor Metering:

If the rate schedule provides for measurement of demand or power factor, RSCPA shall have the right to make such measurements by test at any reasonable time, or install meters permanently, or agree with the consumer on the estimated demand and power factor to be used for billing. Expenses associated with power factor metering equipment shall be the responsibility of the consumer.

II. Responsibilities:

The CEO and Leadership Team shall be responsible for implementing and routinely reporting to the Board as to the need to adjust policy.


Chair


Secretary/Treasurer

Adopted: 03-27-2000
Effective: 04-01-2000
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