

KOOTENAI ELECTRIC COOPERATIVE, INC.
Policy No. 3-4

I. SUBJECT: Line Extensions and Line Modifications

II. OBJECTIVES:

- A. To provide a fair and uniform method of extending, upgrading and modifying all electric facilities within the Kootenai Electric Cooperative (KEC) service territory.
- B. To encourage ongoing development of KEC service territory and provide electric service to applicants as economically as possible.

III. DEFINITIONS:

Applicant: A person, entity or their designee who submits an application to the Cooperative requesting a line extension or line modification.

Attractive Load: New loads which are economically attractive to the Cooperative.

Competitive Load: A line extension to an electric load in which both KEC and an alternative service provider have facilities in close enough proximity such that either could serve it.

Contribution in Aid of Construction (CIAC): The percentage of the cost of construction the applicant is required to contribute. The member may also be responsible for other costs such as engineering and mapping fees, membership fees and permitting fees.

KEC: Kootenai Electric Cooperative; the Cooperative.

KEC Standards: The design and construction guidelines adopted by KEC in compliance with the National Electrical Safety Code, industry best practices and applicable federal and state laws. This includes the information provided in the KEC Electric Handbook.

Line Extension: The extension or upgrade of KEC electric facilities to the applicant's desired service location from the Cooperative's existing facilities.

Line Modification: The altering or removal of KEC's existing electrical facilities at the request of an applicant.

Construction Documents: These include, but are not limited to, the application packet, staking sheets, service order, location map/sketch and cost quote form.

Territorial Integrity: The objective of safeguarding the Cooperative's current service territory and adjacent un-served territory from encroachment by other utilities.

IV. POLICY:

- A. The Cooperative will ensure that the cost of line extensions and line modifications is borne by the benefiting parties as equitably as possible.
- B. The Cooperative will apply a Contribution in Aid of Construction (CIAC) requirement for any line extension or line modification requested. If it is determined by the Cooperative that the incorrect CIAC requirement was applied, the Cooperative reserves the right to apply the correct CIAC requirement and recover the difference. Any additional costs are due immediately upon invoice and the Cooperative reserves the right to delay the connection of service until fully paid.
- C. The CIAC requirement for line modifications is typically 100%. However, a credit may be applied for the betterment of existing facilities and for the age of the facilities, to be determined by the Cooperative.
- D. Applicants will be required to pay all costs prior to construction.
- E. The Cooperative will design and construct line extensions and modifications in accordance with the requesting applicant's needs and to KEC standards.
- F. Applicants requesting a line extension for new service shall abide by the terms listed in Procedure No. 3-4.1.
- G. Applicants requesting a line extension for a subdivision backbone shall abide by the terms listed in Procedure No. 3-4.2.
- H. Applicants requesting a modification of an existing service shall abide by the terms listed in Procedure No. 3-4.3.
- I. Procedure No. 3-4.4 shall serve as a supplemental guide to implementing Policy No. 3-4.
- J. When deemed advantageous to the Cooperative, the General Manager may authorize an extension of service which varies from the policy set forth above. Variations may include extending service to an attractive or competitive load or when the line extension is beneficial for maintaining territorial integrity.

- K. The approval of the Board of Directors is required prior to the General Manager granting a variance to the required Contribution in Aid of Construction (see Procedure No. 3-4.4) if the variance exceeds \$50,000.

- V. OWNERSHIP: The Cooperative retains ownership of all electrical facilities up to the point of connection to the member's service equipment, including the meter, even though the applicant may make a financial contribution toward the construction costs by paying a CIAC.

- VI. EASEMENTS AND RIGHT-OF-WAY: The Cooperative's agents and employees shall have access to its facilities at all times. For safety purposes and for operational necessity, the Cooperative requires all existing service points to be outside and accessible. The applicant shall provide this accessibility at their expense.
 - A. Easements will be required of all landowners for properties crossed by the line extension. The applicant shall bear the cost associated with obtaining easements from other landowners for property upon which any portion of the line extension encroaches or is otherwise located.
 - B. The applicant/member shall grant the Cooperative an easement, without cost, to enter and exit the applicant's/member's property and to install, inspect, maintain, repair and/or replace Cooperative facilities. Easements will be recorded at the respective county courthouse by KEC.
 - C. KEC generally constructs, owns, operates and maintains facilities along public streets, roads, highways and public lands which the Cooperative has the legal right to occupy by right-of-way permit.
 - D. The applicant is responsible for paying all initial costs associated with right-of-way fees including, but not limited to, railroad permit fees, Idaho Transportation Department permits and road right-of-way fees.

- VII. UNUSUAL OR UNFORESEEN CONDITIONS: Unusual or unforeseen conditions may increase the project cost substantially. The applicant or member shall solely assume the risk of any and all increased costs resulting from any such unusual or unforeseen conditions. Should such circumstances arise during construction, the applicant will be notified of their options and cost to complete construction. Unusual or unforeseen conditions include, but are not limited to, the following:
 - A. Landscape replacement.
 - B. Trenching or digging in rock.

- C. Extreme conditions from frost, water, snow, terrain, etc.
- D. Underground boring charges.
- E. Damaged materials or equipment during construction caused by the applicant (e.g., damaged conduit).

VIII. RESPONSIBILITY: The General Manager shall be responsible for the administration of this policy.

Adopted:	03/27/86		Attested:	_____
Amended:	08/24/89	02/27/98		Secretary
	09/27/89	07/22/99		
	02/21/91	11/22/05		
	07/20/93	01/19/06		
	04/27/95	11/20/13 (Replacement Policy effective 01/01/14)		
		04/28/15		