

UNITED ELECTRIC COOPERATIVE SERVICES, INC.

Policy No. 4055

SUBJECT: FIBER LINE EXTENSION POLICY

I. OBJECTIVE

- A. The Cooperative's Fiber Line Extension Policy (this "Policy") governs the extension and furnishing of Fiber Service to current and potential Subscribers. This Policy shall be considered in conjunction with the provisions of the rates charged by the Cooperative to its Subscribers and other applicable terms and conditions of service.
- B. A basic philosophy of the Cooperative is to provide the best possible service to its Members compatible with reasonable investment and economic considerations. The Cooperative may consider reasonable alternatives when applying the Policy.

II. POLICY

GENERAL

This Policy sets forth the general Fiber Service connection and Fiber Distribution system line extension requirements of the Cooperative, applicable to its Subscribers, as available in all territories served by the Cooperative, to be applied in a manner the Cooperative determines in its discretion reasonably allocates the cost of system growth and minimizes the effect of growth upon rates. It is the Cooperative's goal to provide Fiber Service to all Members to the extent the Cooperative determines appropriate, pursuant to the terms of this Policy. The Cooperative may provide Fiber Service to Non-Members, pursuant to the terms of this Policy, in its sole discretion.

In order that both new and existing Subscribers not be adversely affected through service or rates, the investment necessary to serve each Subscriber must be considered by the Cooperative to be justified, in the Cooperative's discretion, upon consideration by the Cooperative of relevant factors, which may include embedded cost of Fiber Distribution investment per consumer and/or cash contributions as described in this policy.

The Cooperative may consider the conditions under which a requested Fiber line extension will be made, viewing each case individually, and may consider factors including the following:

- 1) Cost to provide service;
- 2) Expected longevity of service;
- 3) Possibility of service opportunities developing nearby or along the proposed Fiber Service line extension;
- 4) Anticipated annual revenues; and
- 5) Compatibility with planned Fiber System improvements

Considering such factors, the Cooperative shall perform a simplified rate-of-return study. The rate-of-return study is a method used to model the anticipated revenues and expenses related to a Fiber Distribution line extension for a New Service. In addition to the factors mentioned above and at the

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sole discretion of the Cooperative, the Cooperative may consider other factors the Cooperative, in its discretion, finds reasonable to consider in providing Fiber Service or evaluating any New Service in accordance with the objectives described herein. The Cooperative will review with a requesting Subscriber the estimated fiber or network requirements of any New Service, the desired service level, and the expected longevity of the New Service.

When a Subscriber requests that a Fiber Distribution line be extended to a New Service location, whether over private or public property or along easements or public rights of way, the terms of this Policy shall apply.

Cost elements to be considered by the Cooperative in determining the total estimated cost of the requested Fiber Distribution line extension include estimated labor unit cost, plus actual material costs, plus overhead, less any salvage material.

A Subscriber's share of the cost of a requested Fiber Distribution line extension may be reduced by the Cooperative, in its sole discretion, if the Cooperative believes there is possibility of providing additional services or that the requested construction coincides with planned growth or improvements. Generally, Subscribers who the Cooperative determines will require two-way feeds, special routing, underground service, or any non-standard facilities other than a sufficient standard overhead radial feed shall be required to pay the Cooperative the estimated difference in cost if deemed necessary by the Cooperative in its discretion.

A Subscriber that requests a Fiber Distribution line extension for New Service shall pay to the Cooperative the estimated construction cost of that extension less any applicable Construction Allowance, as set forth herein. All Fiber Distribution line extensions and system additions, including related rights-of-way and Easements, will be at the expense of the Subscriber and, upon completion and approval by the Cooperative, shall become Cooperative property.

Subscriber requests for Fiber Distribution line extensions, service level changes requiring physical changes to the Cooperative's system, or relocations shall be submitted to the Cooperative on forms specified by the Cooperative. The Subscriber shall include in such submission to the Cooperative all information requested on the form or by Cooperative personnel.

The Cooperative will provide a good faith estimate of the costs for construction of the requested Fiber Distribution line extension within a reasonable time after its receipt of a completed application and any other requested information, as described above. The estimate will include all costs necessary in the Cooperative's discretion for the Cooperative to provide the requested extension, including engineering, legal costs, primary fiber and distribution fiber facilities, easements, tree trimming, increased construction cost due to adverse soil conditions, special housing, special supports, and other equipment, and shall also include, if applicable, the pro-rata portion of any indeterminate extension related to the requested extension, as well as any applicable Construction Allowance. The estimate will not include the cost of capacity in excess of the Minimum Facility considered by the Cooperative to be required to meet the needs of the Subscriber unless it is agreed by the Subscriber and the Cooperative that the estimate will include such additional capacity. The estimate will be based on construction unit costs determined by the Cooperative.

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The Cooperative will construct an approved Fiber Distribution line extension using construction methods that are consistent with good engineering and maintenance practices and conforming to the Cooperative's current applicable Construction Standards and, to the extent applicable, the current version of the National Electrical Safety Code and local regulations. Any added costs that are incurred at the request of the Subscriber or specifically for the convenience of the Subscriber shall be borne by the Subscriber.

The Cooperative's estimate of construction costs will become void sixty (60) days after the Cooperative provides a written estimate/invoice to the Subscriber. If a Service Agreement in a written form acceptable to the Cooperative is not fully executed within such sixty (60) day period, the Cooperative, in its sole discretion, may either extend said estimate or make a new estimate incorporating the then-current construction costs and the then-current terms of this Policy.

At the discretion of the Cooperative, overhead service will not be available in areas where the Cooperative has installed, or is required by law, ordinance, regulation, covenant, or Cooperative Policy to install, underground Fiber Distribution facilities.

A Subscriber that requests a Fiber Distribution line extension will provide all required Easements prior to commencement of construction of the requested extension. Any expense associated with acquisition of required Easements will be the responsibility of the Subscriber.

The construction cost estimate and any fees or other amounts owed by the requesting Subscriber to the Cooperative shall be paid to the Cooperative by the Subscriber prior to the commencement of any construction.

Any fees, deposits, or contributions to be refunded to the Subscriber under this Policy shall first be reduced and off-set by any amounts due to the Cooperative, as shown on the records of the Cooperative, regardless of the purpose for which such amounts are due or the time or times such amounts became due and owing.

APPLICABILITY:

The Cooperative will extend Fiber Service to an Existing Electric Cooperative Member that requests to become a Subscriber, at no cost to such Member, as the Fiber Distribution system is being initially constructed, provided that such Member is located in the immediate area of the then Existing System and such extension is consistent with the economic and other relevant factors described above, as determined by the Cooperative. The determination by the Cooperative of whether or not such a requested extension of Fiber Service is during the initial construction of Fiber Distribution, whether the location of proposed New Service to an Existing Electric Cooperative Member is in the immediate area of such initial construction, and whether the construction of such extension at no cost to the Member is consistent with the economic and other relevant factors considered by the Cooperative pursuant to this Policy shall be at the sole discretion of the Cooperative. After such initial construction is completed, as determined by the Cooperative, the other applicable sections of this Policy will be applied, but the extension at no cost to Existing Electric Cooperative Members as described above shall not apply. Further, the Cooperative may extend Fiber Service to a Non-Member pursuant to this Policy if the

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Cooperative determines, in its sole discretion, that such extension will have a positive economic or other impact on the project in question or the Existing System, considering the economic and other factors considered by the Cooperative pursuant to this Policy.

UNDERGROUND SERVICE

The Cooperative will provide underground facilities to serve any type of permanent installation, provided the soil and terrain are adaptable for underground facilities, though facilities charges may apply.

TEMPORARY SERVICE

In any circumstance where the need for Fiber Service may be for a period of less than two (2) years, the Cooperative shall charge and the Subscriber shall pay to the Cooperative 100% of the actual cost of construction plus the cost of removal, less salvage value.

POINT OF DELIVERY (DEMARCATIION POINT)

The Cooperative extends its Fiber Distribution facilities only to the wireless router/network gateway or fiber optic distribution point in small or large commercial locations.

DEFINITIONS:

Subscriber: Any person or other legal entity applying to the Cooperative for new Internet service by Fiber Distribution or for extension of the Existing System by Fiber Distribution, including Members and Non-Members.

Fiber Distribution: Fiber optic infrastructure (aerial or underground) including but not limited to support structures, conduits, fiber optic cable, optical line terminals, optical splitters, and optical service terminals.

Fiber Service: Delivery of Internet or network capacity over the Fiber Distribution infrastructure. Fiber Service is provided through wired transmission devices, including but not limited to optical network terminals, network interface devices, receiver antennae, inside-the-premise fiber optic cabling, and routers.

Construction Allowance: The amount allowed by the Cooperative towards aid in construction for a Fiber Distribution line extension; being the schedule of Internet Service Allowances attached to this Policy.

Construction Standards: Standards required by the Cooperative for construction of Fiber Distribution infrastructure, or any more stringent standards required by the Rural Utilities Service or any applicable governing agency; but in no case shall such standards be less stringent than the latest available edition of the National Electrical Safety Code to the extent applicable.

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Cooperative or United Cooperative Services: United Electric Cooperative Services, Inc.

Easements: Any easements or rights-of-way required by the Cooperative in its discretion in order to construct or maintain new Fiber Distribution or Fiber Service or extensions of the Existing System. All Easements must be in locations, and of such dimensions, acceptable to the Cooperative in its sole discretion, must be on forms provided by or acceptable to the Cooperative, and must be executed and acknowledged by the record owners of the underlying property. Required Easements include easements that will permit a given facility to be used for the benefit of other consumers.

Existing Electric Cooperative Member or Member: A person, firm, individual, group of individuals, or entity that has (1) completed a membership application, and (2) is using, receiving, or purchasing electric service from the Cooperative at the time that Internet service is requested.

Existing System: The Fiber Distribution and Fiber Service system of the Cooperative as it exists at the time an application is made by a Subscriber.

Fiber to the Home: Installation and use of optical fiber from a central point directly to individual buildings, such as homes, apartments, and business, to provide high-speed internet access.

Minimum Facility: The lowest capacity service acceptable to the Cooperative for a particular new Fiber Service or extension making use of designs, materials, and construction methods approved by and normally available to the Cooperative.

New Service: Fiber Service at a location not previously connected to the Existing System.

Non-Member: A person, firm, individual, group of individuals, or entity that (1) has not completed a membership application, and (2) is not using, receiving, or purchasing electric service from the Cooperative.

Permanent Service: Fiber Service to any Subscriber when the use of service, both as to the service level and permanency, in the sole discretion of the Cooperative, can be reasonably assured. Mobile homes exceeding either 8 feet in width or 32 feet in length, excluding towing gear and bumpers, without motive power, which are designed and commonly used for occupancy by persons for residential purposes, upon premises where a permanent water supply and sewage system have been constructed or have been approved by the local permitting authority, are considered Permanent Services.

Service Agreement: The agreement between the Cooperative and the Subscriber that is required by the Cooperative before Fiber Service to a given premise/location is provisioned. A Service Agreement will normally be on a standard Cooperative form but may be specific to a given Fiber Service, if determined by the Cooperative to be appropriate.

Temporary Service: Any service required for less than twenty-four (24) months, including service to circuses, bazaars, fairs, concessions, and similar enterprises, construction works of a temporary nature or heavy construction projects such as dams or tunnels, or other service of temporary character, without regard to the duration of service, where, in the sole discretion of the Cooperative, the permanency of service cannot be reasonably assured.

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III. RESPONSIBILITY

It shall be the responsibility of the General Manager and the Board of Directors of the Cooperative to implement and enforce this policy.

Adopted: 05/04/2020

Revised: 11/25/2024

Last Review: 11/25/2024

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United Cooperative Services

Internet Service Allowances

Updated November 2024 (Effective January 1, 2025)

Permanent Residential Internet Service Allowance = \$2,000

Permanent Residential Development Lot Allowance = \$2,000

Adopted: 05/04/2020

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