

# UNITED ELECTRIC COOPERATIVE SERVICES, INC.

Policy No. 4050

## SUBJECT: LINE EXTENSION POLICY

### I. OBJECTIVE

- A. The Cooperative's Line Extension Policy governs the extension and furnishing of electric service to its Members. The Line Extension Policy shall be considered in conjunction with the provisions of the Cooperative's various rate schedules and other provisions of its terms and conditions of service.
- B. A basic philosophy of the Cooperative is to provide the best possible service to Cooperative Members at the most reasonable investment. All reasonable alternatives shall be given consideration when applying the Policy.

### II. POLICY

#### GENERAL

These rules and regulations set forth the general service connection and distribution system line extension requirements of the Cooperative, as available in all territories served by the Cooperative, in a manner which fairly allocates the cost of system growth and minimizes the effect of growth upon rates.

The Cooperative will provide electric service to all qualified members. In order that both new and existing members not be adversely affected through service or rates, the investment necessary to serve each Member must be justified on the basis of embedded cost distribution investment per Member and/or cash contributions as prescribed in this Policy.

The Cooperative shall exercise prudent judgment in determining the conditions under which a specific line extension will be made and shall view each case individually, considering the following:

- 1) Cost to provide service
- 2) Longevity of the load
- 3) Annual load factor
- 4) Possibility of other loads developing nearby or along the proposed line extension
- 5) Anticipated annual revenues
- 6) Compatibility with planned system improvements

With these factors, the Cooperative shall make a simplified rate-of-return study. The rate-of-return study is a method used to model the anticipated revenues and expenses related to the line extension for a new load. In addition to the six factors mentioned above and at the sole discretion of the Cooperative, other considerations will be given to loads deemed to be contributing to the best interest of public needs and the quality of life for the Membership. The Cooperative will review with the applicant the estimated load, kWh sales, and longevity of the load.

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**When a Member requests that a distribution line be extended to serve a new load, whether over private property, along common way or along a public way, the terms of this policy shall apply.**

**Cost elements included in determining the total estimated cost are estimated labor unit cost (based on previous jobs), plus actual material costs, plus overhead, less any salvage material.**

**The Member's share of the line extension cost may be reduced if there is possibility of additional load or if the construction coincides with planned improvements. Generally, all Members who require two-way feeds, special switching, underground service, or any non-standard facilities other than a sufficient standard overhead radial feed shall be required to reimburse the Cooperative for the estimated difference in cost if deemed necessary by the Cooperative.**

**A Member who requires an extension of the Existing System shall pay the estimated construction cost of that extension less any applicable Construction Allowance, as set forth herein. All extensions and system additions, including related rights-of-way and easements, upon completion and approval by the Cooperative, shall become Cooperative property.**

**Application for extensions, Voltage or Phase Conversions, relocations, or conversions from overhead to underground will be made on forms specified by the Cooperative and will include 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 extension within a reasonable time after receipt of a completed application. The estimate will include all costs necessary for the extension, such as engineering, legal costs, primary and secondary distribution facilities, meters, easements, tree trimming, increased construction cost due to adverse soil conditions, special housing, special supports, lightning arresters and other equipment, and shall also include, if applicable, the pro-rata portion of any indeterminate extension which is attached to, and any applicable Construction Allowance. The estimate will not include the cost of capacity in excess of the Minimum Facility required to meet the needs of the Member unless it is agreed by the Member and the Cooperative that the estimate will include additional capacity. This estimate will be based on construction unit costs determined by the Cooperative.**

**The Cooperative will construct the extension using construction methods that are consistent with good engineering and maintenance practices, dependable service, and conforming to the current version of the National Electrical Safety Code, local regulations, and Cooperative's Construction Standards. Any added costs that are incurred specifically for the convenience of the Member shall be borne by the Member.**

**The Cooperative's estimate will become void sixty (60) days after the Cooperative provides a written estimate/invoice. If a Service Agreement in writing is not fully executed before that time, it will be necessary, at the Cooperative's sole option, to either extend said estimate or make a new estimate incorporating the then current construction costs and the then terms of the Cooperative's Line Extension Policy.**

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In the event that the Member or Developer has been provided with a previously and mutually agreed to project design and the Cooperative is then requested to provide additional or major revisions to the project design; at the Cooperative's sole discretion, the Member or Developer may be charged up to a \$2,000 re-design fee that must be paid prior to additional designs being provided. In addition, if a Member or Developer fails to pay an invoice prior to the expiration date; at the Cooperative's sole discretion, the Cooperative may charge the Member or Developer up to a \$2,000 re-design fee that must be paid prior to additional invoices being provided.

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

The Member will provide all required easements prior to commencement of construction of the extension. Any expense associated with acquisition of required easements will be the responsibility of the Member.

When the Member requires service in excess of 50 KVA, or in other situations where the Cooperative's existing Member or its investment in the Existing System would potentially be adversely affected by the extension, the Cooperative may require separate contract agreements, setting forth construction deposits, rates and refunds.

Generally, Service Upgrades will not be eligible for any refunds. Members requesting a Service Upgrade within two years of the completion of a service extension, or prior service upgrade, will be charged the full estimated construction cost. Service Upgrades requested more than two years after completion of a service extension or prior Service Upgrade may, if deemed warranted in the discretion of the Cooperative, be paid for by the Cooperative.

Any fees, deposits or contributions to be refunded to the Member under this policy shall first be reduced and set-off by any amounts due 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.

In the event of a Member owing aid in construction for a line extension, the Cooperative may require the member to enter into a minimum use contract or other payout contract in lieu of the contribution in aid payment. The availability and terms of any minimum use or other type of payout contract will be at the sole discretion of the Cooperative. This option is at the sole discretion of the Cooperative.

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### **PERMANENT RESIDENTIAL SERVICE**

The Cooperative will construct a new extension of its distribution system to serve a permanent residential installation under the following provisions:

#### **Applicability**

# **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

To qualify as an extension to a permanent residential installation the location where Member is requesting service shall:

1. Be a permanent installation; and
2. Be a single or multi-family residence; and
3. If located within a residential development, the developer must have complied with the residential development Line Extension Policy of the Cooperative and paid all aid to construction as required.

## **Facility Charge**

The Member shall be required to pay as aid to construction the estimated total cost of the line extension in excess of a permanent residential service construction allowance. The current permanent residential service construction allowance will be updated annually by the Cooperative and will be provided upon request as well as being published on the Cooperative's website.

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## **NON-COMMERCIAL SINGLE-PHASE SERVICE**

Any other single-phase service not otherwise covered expressly under this Policy.

### **Applicability**

To qualify as an extension to non-commercial single-phase service class installations the location where the Member is requesting service shall:

1. Be a gate opener, hunting facility, or other services that is used for non-commercial purpose, or
2. Be a barn, shop, water well, or other services that is not closely associated with a permanent residence or is not able to utilize the same transformer as a permanent residential location.
3. Any other indeterminate service not covered expressly under this Policy.

### **Facility Charge**

The Cooperative shall charge and Member shall pay to the Cooperative 100 % of the actual cost of construction of making these service extensions. The Member shall be required to pay in advance to Cooperative as aid to construction 100% of the estimated cost of the extension.

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## **COMMERCIAL, INDUSTRIAL, OIL FIELD OR PUBLIC BUILDING INSTALLATIONS**

The Cooperative will construct a new extension of its overhead or underground distribution system to serve all other permanent installations under the following provisions.

### **Applicability**

# **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

To qualify for an extension under this section, the location where Member is requesting service shall:

1. Be a permanent installation, and
2. Be classified as commercial, industrial, oil field, or public building installation; and
3. If location is within a commercial development, the developer must have complied with the commercial development line extension policy of the Cooperative and paid all aid to construction as required.

## **Facility Charge**

The Member will be required to pay to the Cooperative in advance of construction as aid to construction the total estimated construction costs in excess of the Cooperative's allowance for the cost of making the line extension. The Cooperative's allowance in this category is a calculated amount based on the estimated annual revenue for the Member's installation, and the Cooperative's return factor, as determined by the Cooperative. The Cooperative may not provide a construction allowance for line extensions to speculative loads, as determined solely by the Cooperative.

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## **PERMANENT RESIDENTIAL DEVELOPMENTS**

The Cooperative will construct a new extension of its overhead or underground distribution system to provide service within residential developments when five or more contiguous lots are scheduled for immediate development, under the following conditions:

### **Applicability**

1. The development is a platted, approved residential subdivision to be primarily used or developed for permanent single phase or multi-family residential dwelling units as per Permanent Service as defined in this policy and;
2. The development has an approved water and sewer system and improved roads and;
3. The Developer shall become a Member, establish credit, execute an electric service agreement, and comply with all other applicable provisions of the Service, Tariffs, and Regulations of the Cooperative and;
4. The development, in the Cooperative's judgment, is not unduly speculative and will be developed in a planned manner, and;
5. The Cooperative, at its sole discretion, may install either a front or rear lot system, unless dictated otherwise by regulatory agencies and;
6. The Developer provides at no cost to the Cooperative;
  - (a) Right-of-way easements and covenants on owner's property that are satisfactory to the Cooperative;
  - (b) Site plan (streets, wet utilities, mechanical, electric, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
  - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.

# **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

## **Facility Charge**

The Cooperative shall estimate the actual cost for the electric facilities including primary, secondary, electric equipment and devices, service lines and metering, required for service to each of the lots within the development, based on current unit material and labor costs. The Developer will be given credit for the total number of platted lots within each development, multiplied by a residential development lot allowance. The current residential lot allowance as established by the Cooperative will be updated annually and will be provided upon request as well as being published on the Cooperative's website. The Developer shall be required to pay in advance of construction as aid to construction the estimated total cost in excess of total lot allowance.

The underground or overhead service lines for each residential meter location, when installed as homes are constructed, will be installed in accordance with the Cooperative's current Line Extension Policy at the time of the installation. Any additional cost experienced by the Cooperative for bores, hand digging or other construction required due to placement of obstacles by the Developer or home builder will be paid by the Developer, home builder, or Member.

In all developments, the distribution facilities will be designed and constructed to allow for the best availability of service on each lot within the development. In addition, the distribution facilities will be designed in such a manner as to provide a high level of reliability and service quality for the end user. All costs associated with the additional facilities required by the design will be the responsibility of the Developer.

The Cooperative will install streetlights as required to meet local lighting regulations. The Developer shall be required to pay to the Cooperative in advance of construction as aid to construction the estimated total cost of the streetlights installation and streetlighting equipment. The street lighting equipment installed by the Cooperative will include poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required by the Cooperative.

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## **MULTI-FAMILY RESIDENTIAL DEVELOPMENTS, MOBILE HOME PARKS OR DEVELOPMENTS, RV PARKS, AND APARTMENT COMPLEXES**

The Cooperative will construct a new extension of its overhead or underground distribution system to provide service within a multi-family residential development, mobile home park or development, rv park, or an apartment complex under the following conditions:

### **Applicability**

- 1. The development is a platted, approved multi-family residential subdivision, mobile home park or development, rv park, or apartment complex to be primarily used or developed for leasing and;**
- 2. The development or complex has an approved water and sewer system and improved roads and;**

## **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

3. The Developer shall become a member, establish credit, execute an electric service agreement, and comply with all other applicable provisions of the Service and Regulations of the Cooperative and;
4. The development, in the Cooperative's judgment, is not unduly speculative and will be developed in a planned manner, and;
5. The Cooperative, at its sole discretion, may install either a front or rear lot system, unless dictated otherwise by regulatory agencies and;
6. The Developer provides at no cost to the Cooperative;
  - (a) Right-of-way easements and covenants on owner's property that are satisfactory to the Cooperative;
  - (b) Site plans (streets, wet utilities, mechanical, electric, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
  - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.

### **Facility Charge**

The Cooperative shall estimate the actual cost for the primary and secondary electric facilities including electric equipment and devices required to provide access to serve each of the lots within the development, based on current unit material and labor costs. The Developer shall be required to pay in advance of construction as aid to construction the estimated total cost of the primary and secondary electric facilities. Any additional cost experienced by the Cooperative for bores, hand digging, or other construction required due to placement of obstacles by the developer or builder will be paid by the Developer, builder, or Member.

In all developments, the distribution facilities will be designed and constructed to allow for the best availability of service. In addition, the distribution facilities will be designed in such a manner as to provide a high level of reliability and service quality for the end user. All costs associated with the additional facilities required by the design will be the responsibility of the Developer.

The Cooperative will install streetlights as required to meet local lighting regulations and as requested by the Developer. The Developer shall be required to pay in advance of construction as aid to construction the estimated total cost of the streetlights installation and street lighting equipment. The street lighting equipment installed by the Cooperative will include poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required by the Cooperative.

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### **SEASONAL/RESORT/LARGE LOT DEVELOPMENTS**

The Cooperative will construct a new extension of its overhead or underground distribution system to provide service within residential developments when five or more contiguous lots are scheduled for immediate development, under the following conditions:

#### **Applicability**

# **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

- 1. The development:**
  - (a) Has an average lot size of two (2) acres or greater and/or;**
  - (b) The development is a platted, approved development to be primarily used or developed for secondary/seasonal single phase or multi-family residential dwelling units and/or;**
  - (c) The development, in the Cooperative's sole judgment, will ultimately have permanent residential services installed on less than 75% of the platted lots within the development;**
- 2. The development has an approved water and sewer system or lots sized to allow for individual water wells and septic systems and;**
- 3. The development has improved roads and;**
- 4. The Developer shall become a member, establish credit, execute an electric service agreement, and comply with all other applicable provisions of the Service and Regulations of the Cooperative and;**
- 5. The Cooperative at its sole discretion may install either a front or rear lot system, unless dictated otherwise by regulatory agencies and;**
- 6. The Developer provides at no cost to the Cooperative;**
  - (a) Right-of-way easements and covenants on owner's property that are satisfactory to the Cooperative;**
  - (b) Site plan (streets, wet utilities, mechanical, electric, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.**
  - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.**

## **Facility Charge**

**The Cooperative shall estimate the actual cost for the primary electric facilities including electric equipment and devices required to provide access to serve each of the lots within the development, based on current unit material and labor costs. The Developer shall be required to pay to the Cooperative in advance of construction as aid to construction the estimated total cost of the primary electric facilities. The cost of underground or overhead service lines for each residential meter location, installed as homes are constructed, will be installed in accordance with the Cooperative's current Line Extension Policy at the time of the installation. Any additional cost experienced by the Cooperative for bores, hand digging, or other construction required due to placement of obstacles by the Developer or home builder will be paid by the Developer, home builder, or Member.**

**In all developments, the distribution facilities will be designed and constructed to allow for the best availability of service on each lot within the development as determined by the Cooperative. In addition, the distribution facilities will be designed in such a manner as to provide a high level of reliability and service quality for the end user. All costs associated with the additional facilities required by the design will be the responsibility of the Developer.**

**The Cooperative will install streetlights as required to meet local lighting regulations. The Developer shall be required to pay to the Cooperative in advance of construction as aid to construction the estimated total cost of the streetlights installation and street lighting equipment.**

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The street lighting equipment installed by the Cooperative will include poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required by the Cooperative.

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## **COMMERCIAL DEVELOPMENTS**

The Cooperative will construct a new extension of its overhead or underground distribution system to provide service within a commercial development where a Developer requests electric infrastructure to be installed in advance of development of a site or lot by a Member, under the following conditions:

### **Applicability**

1. The development is a platted commercial development with sites or lots for multiple Members to be primarily used or developed for permanent commercial, industrial, retail, and /or office Members;
2. The Developer shall become a member, establish credit, execute an electric service agreement, and comply with all other applicable provisions of the Service Rules and Regulations of the Cooperative;
3. The development, in the Cooperative's judgment, is not unduly speculative and will be developed in a planned manner;
4. The Developer will provide at no cost to the Cooperative:
  - (a) Right-of-way easements and covenants on owners' property that are satisfactory to the Cooperative;
  - (b) Site plans (street, wet utilities, mechanical, electric, plumbing, landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed
  - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system

Line extensions to each Member within the development will be according to the terms and conditions in the Commercial, Industrial, Oil Field, or Public Building Installations section of this policy.

### **Facility Charge**

The Cooperative shall estimate the actual cost of the electric infrastructure required by the Developer in advance of development of site or lot by a Member based on current unit material and labor cost for the same type of construction. The Developer will be required to pay in advance 100% of the estimated actual cost of such electric infrastructure. The Cooperative may allow a construction allowance in its sole discretion.

The Cooperative will install streetlights as required to meet local lighting regulations; and any costs associated with the installation of the lighting will be paid for by the Developer. The street lighting equipment installed by the Cooperative will include poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required by the Cooperative.

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## 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 as determined by the Cooperative in its discretion.

## TEMPORARY SERVICE

In any circumstance where the need for electric service may be for a period of less than two years the Cooperative shall charge and Member shall pay 100 % of the actual cost of construction plus the cost of removal less salvage value. The Member shall be required to pay in advance to the Cooperative as aid to construction 100% of the estimated cost of the extension.

## AREA LIGHTING/STREET LIGHTING

The Cooperative will install streetlights as required to meet local lighting regulations. The Developer shall be required to pay in advance of construction as aid to construction the estimated total cost of the streetlights installation and street lighting equipment. The street lighting equipment installed by the Cooperative will include poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required by the Cooperative.

## POINT OF DELIVERY

The Cooperative extends its electric facilities only to the point of delivery. The point of delivery of electric energy is the point where the Member's service entrance conductors are connected to the Cooperative's conductors.

## DEFINITIONS

**Construction Allowance:** The amount allowed by the Cooperative towards aid in construction for a line extension.

**Construction Standards:** Standards required by the Cooperative for construction of electric facilities, 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.

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

**Developer:** An individual, group of individuals or entity making application for Subdivision Service.

**Easements:** Any easements or rights-of-way required by the Cooperative in order to construct or maintain new service or extensions of the Existing System. All easements and rights-of-way 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 executed and acknowledged by the record

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owners of the underlying property. Required Easements will include easements which will permit a given facility to be used for the benefit of other Members.

**Existing System:** The electrical transmission and distribution system of the Cooperative as it exists at the time an application is made.

**Indeterminate Service:** Service to municipal water pumping, mining or oil and gas production operations, stock wells or irrigation wells, any commercial and industrial services requiring installed transformer capacity of 25 KVA or more, and other service of uncertain or speculative character where in the sole discretion of the Cooperative, the amount and permanency of service cannot be reasonably assured. In addition, residential, or small power service with a load requirement of 25 KVA or less, may be classified as Indeterminate Service when the use of service, either as to amount and/or permanency, cannot be reasonably assured to the satisfaction of the Cooperative, as determined by the Cooperative, or when requested by the Member. At the sole discretion of the Cooperative, a minimum use contract may be required for an Indeterminate Service location.

**Member:** Any member of the Cooperative and, for purposes of the application of this policy, any other person or other legal entity which is to be a member of the Cooperative and is applying to the Cooperative for Voltage or Phase Conversions, New Service or for extension of the Existing System.

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

**New Service:** Electric service at a location not previously connected to the Existing System.

**Permanent Service:** Service to any Member when the use of service, both as to amount and permanency, in the sole discretion of the Cooperative, can be reasonably assured, such as residential service and small power service with a load requirement of 25 KVA or less. 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 Member which is required by the Cooperative before service to a given premises is energized. This agreement will normally be on a standard Cooperative form but may be specific to a given service, if considered appropriate by the Cooperative.

**Service Upgrade:** An improvement in capacity on an existing electric service due to the Member increasing load demand. Voltage and Phase Conversions are not considered a service upgrade.

**Voltage or Phase Conversion:** A change in the voltage, number of phases or phase configuration of an existing electric service due to the request of a consumer. All Voltage and Phase Conversions shall be treated as Indeterminate Service extensions.

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**Subdivision Service: Extension of the Existing System for the purpose of, and designed for, serving multiple Members within a planned development.**

**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 is not reasonably assured to the satisfaction of the Cooperative.**

### **III. RESPONSIBILITY**

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

**Adopted: 9-25-2000  
Revised: 10-28-2024  
Last Review: 10-28-2024**

# **UNITED ELECTRIC COOPERATIVE SERVICES, INC.**

## **United Cooperative Services Construction Allowances – Updated October 2024 (Effective January 1, 2025)**

**Permanent Residential Service Construction Allowance = \$2,000**

**Permanent Residential Development Lot Allowance = \$2,000**

**Adopted: 9-25-2000**  
**Revised: 10-28-2024**  
**Last Review: 10-28-2024**