

Board Policy No. 611

SUBJECT: Overhead Line Extension

I. PURPOSE

To establish the rules under which electric service will be extended to members of the cooperative while maintaining compliance with the Retail Electric Supplier Unincorporated Area Certified Territorial Act and CFC Loan Contract and Mortgage.

II. CONTENT AND PROVISIONS

A. Single-Phase Line Extensions:

1. An advance construction payment shall be required of any member requesting single-phase overhead electrical service when primary and service line construction exceed five hundred (500) feet.
2. The cooperative shall install up to and including five hundred (500) feet of overhead single-phase electric primary and service line to any member at no cost. All overhead single-phase electric line construction in excess of five hundred (500) feet shall be billed at the rate of eleven dollars (\$11.00) per foot. The advance construction payment shall also include all right-of-way costs from crossing State lands, PennDot rights-of-way and any other fees or payments paid to others. Additional costs may be added for pole locations requiring rental equipment or contracted services. Additional costs may also be added for changes to the electric system to accommodate the line extension. Annual permit fees will be added to the member's monthly bill.
3. In cases when two or more members request service at the same time in the same general area, each member shall pay for his share of the excess of 500 feet per member. However, each lot shall only receive one (1) 500 foot credit regardless of the number of meters on that lot.

Example: If two members apply for service and the total overhead single-phase line extension (primary and service wires) is 2,200 feet; the advance construction payment per member shall be computed as follows:

$$\frac{\text{Total Line Length}}{\text{No. of Members}} = \frac{2,200 \text{ ft.}}{2} = 1,100 \text{ ft.}$$

Total cost per member = 1,100 ft. – 500 ft. = 600 ft. x \$11.00 ft = \$6,600.

4. If, within a period of ten years from the date of the line extension, one or more members apply for service utilizing the same facilities, the additional applicant(s) shall be assessed an equitable share of the original cost at the discretion of the Chief Executive Officer. The cooperative will, in turn, refund the amount charged the additional applicant(s) to the original active member who made the initial payment providing, however, that the said member shall at no time receive more than his or her initial payment, that said member shall continue to receive electric service at the location, and, providing further that said member is not a past due account.
5. The advance construction payment is required when determined to be applicable by the cooperative and shall be remitted before line construction begins. This payment is non-refundable once line construction has begun. No interest is paid on advance construction payments.
6. The advance construction payment shall be applied as a contribution in aid of construction. This construction payment does not convey an ownership interest to the member in the primary or service line or any related equipment. No part of the advance construction payment shall be used to offset monthly cost-of-service or energy charges.
7. Advance construction payments are not transferable between separate accounts of an individual member.
8. Any advance construction quotation made by the cooperative shall be firm for a period of six (6) months. After this period, the quotation shall be subject to re-evaluation.
9. If a meter is not set on a lot that received a 500 foot credit within 60 days of completion of line, cooperative will notify member and give them 60 days to set meter. If meter is not set within 60 days, cooperative will bill for additional footage and file lien on lot if not paid.

B. Three-Phase Line Extension:

1. Each three-phase line extension is to be evaluated separately. A non-refundable engineering fee may be required to develop a proposal. A contract shall be drawn up and presented to the Board for approval. The contract may include a monthly minimum charge or require an advance construction payment remitted before construction begins. Included in the cost of extension are any right-of-way costs from crossing State lands, PennDot rights-of-way and any other fees or payments paid to others. Additional costs may be added for pole locations requiring rental equipment or contracted services. Additional costs may also be added for changes to the electric system to accommodate the line extension. Annual permit fees will be added to the member's monthly bill.
2. If the extension would connect to an existing three-phase line which is still under contract, the original monthly minimum will be depreciated for the time period it has been in use and monthly minimum charges for the new account shall be prorated by splitting the shared portion of the line with this percentage multiplied times the depreciated monthly minimum. The term of this portion for the new account shall coincide with the term of the existing contract for the original account. The original contract holder's monthly minimum shall be reduced by the amount of the new account's monthly minimum for the remaining term of the existing contract.

Any additional footage required for this new account shall be charged solely to the new account as a monthly minimum for the full 5-year term.
3. If the three-phase extension is part of the cooperative's Four-Year or Long-Range Work Plan, a deduction in the monthly minimum shall be made to allow a portion of three-phase extension to be exempted from the monthly minimum. Similarly, if the three-phase extension provides significant benefits to the cooperative's distribution system, a deduction in the monthly minimum shall be made based on a recommendation by the Chief Executive Officer.
4. Depending upon the individual circumstances, the member may be required to provide a transformer for loads over 750 KVA.
5. The member will be responsible for correcting any power quality issues they create at their cost.

C. Right-of-ways:

The cooperative will make every reasonable attempt to obtain the right-of-ways required to extend service to the new consumer at no cost to the cooperative.

1. Consistent with the Bylaws, the Board may elect to terminate an existing consumer's membership and electrical service for refusing to grant a right-of-way at no cost on property owned by that consumer.
2. The Board may decide to transfer the right of condemnation to the new consumer if a right-of-way cannot be obtained at no cost from a landowner.

E. Effective date: The provisions of this policy shall not apply to any line extension agreements made between the cooperative and any members prior to the effective date of this policy.

D. APPROVED SUBDIVISIONS

At the discretion of the Chief Executive Officer, advance construction payment charges may be waived or reduced provided that the following conditions are met:

- A. The subdivision has been approved by the township and/or county officials having jurisdiction over such matters.
- B. The developer(s) grant the cooperative an acceptable recorded right-of-way easement for the entire subdivision.
- C. There is reasonable expectation that lots will be sold and developed to the extent that the cooperative can expect an acceptable rate of return on investment within a period of two years.

III. RESPONSIBILITY

It shall be the responsibility of the Chief Executive Officer to administer this policy.

IV. This policy shall become effective March 1, 1991 and shall supersede and cancel all other policies which relate to the subject matter herein and which may be in conflict herewith.

Date adopted:	July 21, 1983	Attest:	Lynn Roles, Secretary
Revised:	July 19, 1984		Lynn Roles, Secretary
	February 21, 1991		Kathy A. Robbins, Secretary
	January 19, 1995		Walter E. Botsford, Secretary
	March 27, 1997		Josiah P. Alford, Secretary
Revised:	February 19, 1998		Josiah P. Alford, Secretary
Rfmd:	August 20, 1998		Lynn Roles, Secretary
	March 30, 2000		Walter E. Botsford, Secretary
	April 19, 2001		Walter E. Botsford, Secretary
	March 21, 2002		Walter E. Botsford, Secretary
	February 20, 2003		Walter E. Botsford, Secretary
	March 18, 2004		Walter E. Botsford, Secretary
	February 16, 2006		Walter E. Botsford, Secretary
	February 15, 2007		Walter E. Botsford, Secretary
	May 10, 2007		Walter E. Botsford, Secretary
	August 16, 2007		Walter E. Botsford, Secretary
	May 27, 2010		Walter E. Botsford, Secretary
	February 17, 2011		Walter E. Botsford, Secretary
	February 6, 2014		Walter E. Botsford, Secretary
	February 19, 2015		Kathy A. Robbins, Secretary/Treasurer
	February 23, 2016		

Kathy A. Robbins,
Secretary/Treasurer