

## **ELECTRIC DISTRIBUTION AND SERVICES EXTENSION POLICY**

### **I. POLICY STATEMENT:**

- A. All extensions are subject to the availability of adequate capacity, voltage and Cooperative facilities at the beginning point of an extension. These conditions shall govern extensions of both overhead and underground electric facilities to members whose requirements are deemed by the Cooperative to be usual and reasonable in nature. The Cooperative will provide service in the most economical manner. The member will be responsible for any additional cost incurred by the Cooperative for special request by the member. It shall be the policy of Hancock-Wood Electric Cooperative (HWE) to provide and extend electric service to any member within its service area in accordance with the rate schedules, Terms Condition of Service and Electric Distribution and Services Extension Policy and Service & Metering Guide.

### **II. DEFINITIONS:**

- A. Applicant: An individual who requests electric service, the extension of electric utility facilities or a change of service and/or facilities.
- B. Backbone Line Extension: A primary voltage distribution line from which other distribution taps and services can be provided.
- C. Contribution-in-Aid of Construction (CIAC): The applicants share of the cost of making additions or modifications to electric distribution facilities. CIAC is payable as a condition prior to installing, upgrading or relocating facilities which are the property of the Cooperative.
- D. Installation Credit: The value of the investment in a new service that the Cooperative can make as determined by the Cost of Service Study.
- E. Minimum System: Consist of standard transformer, service line (the connection between the transformer and the meter), and meter required to serve the basic electrical needs of a rate class as defined in the cost of service study.
- F. Multifamily Installation: Any line extension to a new residential dwelling that will have two or more dwelling units, where each unit has a separate account for electric service.
- G. Net Revenue: The expected revenue from a member less the cost of power purchased associated with serving that member.
- H. Permanent Service: Service facilities constructed at a given location in such a manner that they may be reasonable expected to remain for the useful service life of the Cooperative's electrical facilities constructed for that service.
- I. Residential Service: A service shall be considered residential when all the following apply:
1. Permanent service will be rendered to the member.
  2. Applicant is a current member or has completed the application process

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to become a member.

3. Sewer or septic system, water system and electric service entrance equipment is to be installed.
- J. Standard Transformer: Minimum system transformer required to provide service, based on rate class.
  1. R107/R107KI Standard Transformer = 15kVA overhead conventional
- K. Subdivision or Development: A tract or parcel of land divided into two or more lots, sites, or other divisions.
- L. Temporary Service: A service is deemed temporary if service is to be rendered for a period of less than 12 months and the service does not meet all the criteria as listed above for Permanent Service.

### III. **APPLICATION:**

#### A. Line Extensions for Permanent Services:

1. Single Phase Line Extension for Rate Class R-107/R-107KI
  - a. The Cooperative will extend existing overhead single-phase facilities along public right-of-way at no direct cost to the member. Costs in excess of \$1,700 will be deducted from the applicant's installation credit as referenced below in III.A.1.a.
  - b. Hancock-Wood Electric Cooperative, Inc. in extending service to a residential member that will be served pursuant to its Residential Rate R-107 and R-107KI shall charge a contribution in aid of construction ("CIAC") towards the total cost of extending service in excess of the installation credit (\$1,700) plus the cost of a standard transformer (if a transformer is required for the service extension).
  - c. Once the project construction is complete, the Cooperative may reconcile actual costs incurred on the project against the original line extension estimate. The Cooperative reserves the right to provide a refund or collect additional CIAC.
2. Single Phase Line Extension for Non-Residential Rate Class
  - a. The Cooperative may at its option, when requested by the member, provide single-phase service and shall charge a CIAC equal to the total installed cost of extending electric service to the member.
  - b. Hancock-Wood Electric Cooperative will perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than three (3) times the member's estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than three (3) times the member's estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member's CIAC shall be determined by subtracting from the cost of extending service, an amount equal to three (3) times the member's

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estimated annual net revenue.

- c. The Cooperative may require an applicant to sign an “Electric Service Agreement for Purchase of Power” for a term of up to five (5) years for new services provided under the GS-9 rate schedule. The term of the contract and minimum demand capacity shall be based on the net revenue calculation.
  - d. Once the project construction is complete, the Cooperative may reconcile actual costs incurred on the project as compared to the original line extension estimate. The Cooperative reserves the right to provide a refund or collect additional CIAC.
3. Three Phase Line Extensions for All Rate Classes
- a. The Cooperative may at its option, when requested by the member, provide three-phase service and shall charge a CIAC equal to the total installed cost of extending electric service to the member.
  - b. Hancock-Wood Electric Cooperative will perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than three (3) times the member’s estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than three (3) times the member’s estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member’s CIAC shall be determined by subtracting from the cost of extending service, an amount equal to three (3) times the member’s estimated annual net revenue.
  - c. The Cooperative may require an applicant to sign a “Electric Service Agreement for Purchase of Power” for a term of up to five (5) years for new services provided under the LPS-12 and ELP-7 rate schedules. The term of the contract and minimum demand capacity shall be based on the net revenue calculation.
  - d. The Cooperative reserves the right to determine whether three phase services will be delivered at primary or secondary voltage. Secondary voltage services will typically be limited to an electrical capacity of 1,500 kVA.

**B. Electric Extension to a Development, Multi-Unit Housing or Subdivision**

1. When service is requested for a subdivision prior to actual construction or occupation of the project, the Cooperative shall charge a CIAC based on the estimated number of expected lots to be occupied at the end of three (3) years from the commencement of construction. Developer(s) requesting a primary backbone electrical line extension will be required to pay the full cost of providing the required facilities less \$500 per lot, plus the equipment cost(s) of the transformer(s). The Cooperative will determine and design the facilities that are required for the primary backbone system.

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2. When service is requested for a multi-unit housing development prior to actual construction or occupation of the project, the Cooperative shall charge a CIAC based on the estimated number of units to be occupied three (3) years from the commencement of construction. Developer(s) requesting a primary backbone electrical line extension will be required to pay the full cost of providing the required facilities less \$1,700 times the estimated number of occupied units plus the equipment cost of the transformer(s) (if a transformer is required for the service extension). The Cooperative will determine and design the facilities that are required for the primary backbone system.
3. Individual services to lots and general services will require individual applications and will be calculated as individual line extensions, following the guidelines and qualifications as outlined herein.
4. All line extension contracts and agreements between Hancock-Wood Electric Cooperative, and any developer existing as of the effective date of this policy shall remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.
5. Development or subdivision is required to be platted and recorded with the respective County or local government.

#### C. Underground Line Extension Requirements

1. Member or Developer is responsible for the performance and/or costs of all earthwork including, but not limited to trenching, boring or punching, conduits, vaults, pull boxes, manholes, cabinet pad sites, bedding, backfill, compaction and surface restoration, but must conform to the Cooperative's specifications.
2. A total conduit system is required for all secondary conductors. The Member is responsible for the cost of all conduit. The Cooperative's engineering department shall determine the type of underground system. The Cooperative reserves the right to install primary underground conductors by the direct bury method or conduit system.
3. Pad-mounted equipment and underground cable shall typically be located on the front lot lines. Where advantageous to the Cooperative, underground facilities may be located along the rear lot lines.

#### D. Line Extension Details

1. All line extensions shall be the property of and shall be operated and maintained by the Cooperative.
2. The Cooperative shall have the right to use any line extension to provide service to any applicant requesting electric service adjacent to such line extension and the further right to construct other extensions from the distribution facilities so constructed.
3. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at the Cooperative's sole discretion and at the expense of the applicant.

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4. The line extension shall be constructed on dedicated rights-of-way or on a route covered by an easement on the Cooperative's standard form.
5. All right-of-way clearing shall be performed to the Cooperative's specifications. The estimated cost of the clearing shall be included in the estimated cost of the line extension. At the option of the member and with the approval of the Cooperative, the member may perform the clearing, provided it is performed in a timely manner.

E. Temporary Services:

1. Temporary service may be extended up to ten (10) feet from an existing distribution point for a fee of \$150.00.
2. For temporary service lengths exceeding ten (10) feet, an additional charge will be assessed for the excess distance. The charge will be in an amount equal to the estimated cost of installing and removing the facilities necessary to provide the service less salvageable material. All charges must be paid prior to installation.
3. Temporary services shall be converted to permanent within twelve (12) months following installation. At the member's request, the temporary may remain in service for an additional six (6) months for an additional \$150 charge.

F. Alternate Feeds

1. The Cooperative will provide an alternate or loop feed to a member as part of an extension, if requested, and provided the following requirements are met.
  - a. The Member's business must be essential to public health and/or safety or required by the type of business the Member operates, as determined by the Cooperative.
  - b. The Member, prior to construction, shall pay total construction costs for the alternate feed and pay monthly charges as required by the associated rate schedule for this type of service.

G. Abnormal Loads

1. The Cooperative, at its option, may install extensions to serve certain abnormal loads (such as: transformer type welders, x-ray machines, large motors, excess capacity for test purposes and loads of unusual characteristics), provided these loads do not electrically affect other members served on the same line and/or substations.
2. All cost incurred by the company to correct power quality problems resulting from the member's load shall be borne by the member.
3. The Cooperative reserves the right to require members to install power factor correction equipment, when the member's power factor at the measured peak kW demand is less than 0.90.

H. Relocation and/or Conversions

1. The Cooperative may relocate or convert its electrical facilities if requested by

property owner and member makes a nonrefundable CIAC equal to the total cost of relocation or conversion, including any residual value for the removed electrical facilities and if the relocated or converted facilities still meet the Cooperative's engineering and operational standards. In no case shall the CIAC be less than \$200.

2. The Cooperative will upgrade existing electrical facilities to accommodate member's estimated additional energy requirements or changes in service requirements. The member will be required to make a nonrefundable CIAC equal to the difference between the total costs of construction less three (3) times the estimated annual increase in net revenue. In no case shall the CIAC be less than \$200.
3. Rate class R-107/R-107KI service entrance equipment will be handled on a case by case basis. The replacement of an obsolete service will be estimated in accordance with the "Single Phase Line Extension for Rate Class R-107/R-107KI", but in no case shall the CIAC be less than \$200.
4. The Cooperative reserves the right to relocate the point of service to the pole and/or transformer whenever in the Cooperative's opinion the existing service becomes unsafe, inaccessible, or work space cannot be maintained. The Cooperative also reserves the right to charge the member a CIAC equal to the total cost of the relocation. If the Cooperative, in its opinion, finds it warranted to charge a CIAC for relocation, it shall be charged at no less than \$200.

#### I. Area Lighting

1. Area lights shall be installed on Cooperative owned poles or poles provided to the member by the Cooperative. Overhead service wire may be extended up to 100 feet to a new area light with no additional CIAC, assuming an existing 120/240V transformer can be utilized as a source. Poles installed by the Cooperative, for the member, shall meet all NESC and Cooperative requirements. The member shall be charged a nonrefundable CIAC equal to the estimated cost of material and labor.
2. Cooperative owned area lights shall not be installed on member owned buildings or structures. Area lights shall be installed in a location accessible to a bucket truck at all times.
3. Area lighting service may be extended underground. The member shall be charged a nonrefundable CIAC equal to the actual cost of material and labor. The service and secondary wire is required to be installed in a conduit system.
4. Member will be charged a nonrefundable contribution for a transformer and the labor to install the transformer, if required for service to area light only.
5. Member owned lights shall not be installed on Cooperative owned poles.

#### J. Member Requirements

1. Member is responsible for providing and installing all service entrance equipment, including meter bases, per Cooperative's specifications. Member

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provided meter bases are subject to approval by Cooperative.

2. Hancock-Wood reserves the right to select meter location for service.
3. Member's electrical installation shall conform to all local and state building codes, NESC, NEC and the Hancock-Wood Electric Service and Metering Guide. Member is responsible for all local and state inspections, where required. The Cooperative is under no obligation to inspect Member's wiring installation or their equipment. However, the Cooperative reserves the right to refuse service to any installation that is, in the Cooperative's opinion, unsafe or the operation of which may be detrimental to the service furnished other members.
4. Before initial service to a new location is energized, the Cooperative shall verify that the installation of the meter base and associated equipment has either been inspected and approved by the local inspection authority or, in any area where there is no local inspection authority, has been inspected by a licensed electrician in the state of Ohio.
5. The Cooperative reserves the right to bill a "Dry Run Charge" equal to \$200, when the member's failure to meet minimum required standards for electrical service causes the Cooperative to be unable to complete their schedule work at the jobsite.
6. Hancock Wood reserves the right to require line extensions to be installed overhead or underground. Typically, the extension of the electric service at secondary voltage shall be underground.
7. Member shall provide all service entrance type conductor to point of delivery, as defined by the National Electric Code (NEC).
8. The Member requesting three-phase service shall provide service conductors to the secondary terminals of the transformer and connectors, per Cooperative's specifications.
9. Member is responsible for providing concrete transformer vaults for three phase transformers per Cooperative's specifications.
10. Member is responsible for providing a documented electrical load schedule to HWE. The electrical load schedule should typically be provided by a qualified electrical individual with knowledge of the NEC.
11. Member shall be responsible for providing landscaping and/or lawn repair due to damage caused by extending new service or upgrading the existing service to their home or facility.
12. Member is responsible for providing and installing yard meter poles (YMP) in compliance with the NEC and NESC. The member is responsible for providing and maintaining all electrical equipment on the YMP and any service taps from the YMP to member's equipment or buildings. The Cooperative may provide YMPs for a charge in an amount equal to the estimated cost of labor and material. YMPs shall comply with the following requirements:
  - a. The Cooperative may choose to own yard meter poles, which support the

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Cooperative's overhead service crossing a public right-of-way.

- b. Member shall not install or extend overhead service conductors from Cooperative owned YMPs.