

OTERO COUNTY ELECTRIC COOPERATIVE, INC
FOURTH REVISED RULE NO. 15
CANCELING THIRD REVISED RULE NO. 15
EXTENSION POLICY

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1. STATEMENT OF POLICY: CONSUMER ADVANCES REQUIRED

This extension policy is intended to enable Otero County Electric Cooperative, INC. (OCEC) to extend its lines and facilities as needed to serve new consumers and locations within its service area without imposing undue burden or cost on existing consumers. To that end, and subject to any credits available under this rule, a developer or consumer requiring an extension of facilities for new service will be required to pay to OCEC an advance in aid of construction equal to the estimated cost to OCEC of purchasing, constructing, and installing the additional facilities necessary to provide the requested service. The advance may also include a prorated share of any unrefunded advances previously received by OCEC from other consumers, other than developers, Federal, State, Local Governments, and Railroads, and applied to the cost of facilities which will also be used in providing the new service. The advance shall not be refunded to the consumer, but the consumer will, nevertheless, for a period of twenty years after payment of the nonrefundable advance and provided that the consumer continues to receive service from OCEC, receive a prorated share of any advances collected from future consumers for the use of facilities constructed through advances from the first consumer. This does not include developers, Federal, State, Local Governments, and Railroads.

Line extensions and service agreements shall be established on an individual basis for entities such as but not limited to, the United States Government, the United States Military, the State of New Mexico, county or local governments, the Mescalero Apache Tribe, and Railroads.

2. PERMANENT SERVICE

DEFINITION: "Permanent Service" as defined herein is construed to mean service to domestic, small and large commercial, rural and urban consumers when the use of service both as to amount and permanency can be reasonably assured. Consumer shall be financially able and responsible to fulfill all obligations to be specified by written agreement. Consumer shall also provide copies of the deeds to all properties involved in the line extension.

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To be considered permanent, the electric meter shall supply electric power to one of the following:

1. All trailer and mobile homes placed on a permanent foundation with the wheels, axles, and tongue arrangements removed.
2. Water wells.
3. A building if it is fully enclosed and has a minimum of 400 square feet of floor space, with a permanent foundation and roof.
4. Any barn or shop not fully enclosed with over 800 square feet of floor space and with a permanent foundation affixed to the earth.

Campers, fifth wheels, recreational vehicles, cargo containers, semi trailers, yurts, tents, electric gates, entrances, carports, or other services deemed non-permanent by OCEC will not be considered permanent structures.

- A. **CONTRACT TERM:** To assure that the additions to the plant, lines and systems of OCEC required to provide electric service to new consumers will not cause undue hardship upon OCEC or its then existing consumers, each new consumer shall be required to contract to receive service and pay the minimum charges for a period of at least five years continuous billing.
- B. **MINIMUM BILL:** The minimum bill shall be the customer charge in accordance with the applicable rate schedule for each service. Every new service will also be charged a connect fee plus tax.
- C. **Free Extensions:** OCEC will extend electric service to any permanent consumer without a construction charge provided that the total construction investment required does not exceed the current non-monetary construction credit equal to OCEC's calculated cost for a 10 kVA pole-mounted single-phase transformer, lift pole, service, and meter. There will be one construction credit given for each permanent service.

If the construction investment required for the permanent consumer exceeds the construction credit, the consumer will be required to

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make an advance in aid of construction in an amount equal to the excess, prior to the construction of any facilities. The applicable rate minimum will apply to free extensions.

3. UP AND DOWN SERVICE (NONREFUNDABLE)

A. DEFINITION: "Up and Down Service" as herein defined refers to electric service to circuses, bazaars, fairs, concessions and similar enterprises, and to construction works of temporary character.

- 1) Term: Not less than one month.
- 2) Connection Cost: Where it is necessary for OCEC to extend lines, install transformers, make enlargement of any part of its system or do any other work to serve the consumer, the applicant-consumer shall make a non-refundable payment equal to the estimated cost of installation and removal, less credit for estimated salvage of material to be recovered, before construction begins.
- 3) Minimum Charge: The minimum monthly bill shall be the customer charge in accordance with the applicable rate schedule for each customer.

4. TEMPORARY & INDETERMINATE SERVICE (NONREFUNDABLE)

A. DEFINITION: "Temporary Service" as herein defined refers to electric service to mines, quarries, oil wells, sawmills, industrial and commercial enterprises of speculative character, trailers and mobile homes, enterprises and ventures where the applicant is the lessee or tenant of the property to be served, and to other types of service, except "Up and Down Service," where the amount of use and permanency of service cannot be reasonably assured.

B. DEFINITION: "Indeterminate Service" as herein defined refers to service that does not, at the time of connection, meet the requirements of a Permanent Service. If within 12 months the consumer contacts OCEC to verify it meets the requirements for a Permanent Service, upon verification by OCEC, the consumer may

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receive a refund of the construction credit up to OCEC's calculated cost for a 10 kVA single-phase pole-mounted transformer, lift pole, service, and meter.

- 1) Contract Term: The contract term shall be for a period of five years.
- 2) Advances: Where it is necessary for OCEC to extend lines, install transformers, make enlargement of any part of its system or do any other work to serve the consumer, the consumer shall, before construction begins, make an advance in aid of construction in the amount equal to the estimated cost of installation.
- 3) Minimum Charges: The minimum bill shall be the customer charge in accordance with the applicable rate schedule for each customer.

5. EXTENSIONS WITHIN SUBDIVISIONS AND DEVELOPMENTS

A developer is any consumer or customer of OCEC that pays to have a power line extended to serve more than one tract or lot, or is connecting multiple meters in a name other than their name or family members name. Extension of facilities to serve subdivisions and land developments will be made on the following basis:

- A. The interested party shall contact OCEC requesting service to the land to be developed and shall be treated as a developer rather than an individual member.
- B. The developer shall provide OCEC a legally dedicated final plot plan of the subdivision with all necessary signatures showing the boundaries, lot layout by number, streets, alleyways, easements and any other information pertinent to the development of the property.
- C. The developer shall provide the necessary easements to allow OCEC to provide service to each individual lot in the subdivision. These easements shall be dedicated and shown on the plot plan

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filed for record with the respective county, and OCEC shall be furnished a copy of such instrument. If no approved subdivision plat is furnished, the developer shall provide a valid easement before construction of the power line.

- D. Overhead Facilities: Where overhead facilities are requested by applicant-developer, OCEC will provide the developer with a plan for providing service to each lot in the subdivision together with an estimated cost of installing the required electric facilities. These electrical facilities shall be limited to the primary or secondary lines to lot corners and all necessary support structures required to provide service to the subdivision and shall not include transformers, services and other facilities for the individual lots. The developer will be required to pay as an “advance in aid of construction” the total estimated cost of installing the primary lines in the subdivision, as provided in Sec. 9 (Estimates). This amount will be paid prior to the start of construction. There will be no refunds for construction. OCEC will not charge any “previous construction cost” to the consumer or refund to the developer any money for a consumer connecting in a subdivision where the developer has installed the primary power line. Any extension OCEC builds off of this line will also be exempt from any refund to the developer.
- E. Underground Facilities (Primary Only): Where underground facilities are requested by applicant-developer, they shall provide at no cost to OCEC, all ditching, bedding, and back-filling in accordance with OCEC specifications. OCEC will provide the developer with a design for providing service to each lot in the subdivision together with an estimated cost for installing the required electric facilities. The developer will be required to pay as an “advance in aid of construction” the total estimated cost of installing the primary lines in the subdivision, as provided in Sec. 9 (Estimates). This amount will be paid prior to the start of construction. There will be no refunds for construction. Any extension OCEC builds off of this line will also be exempt from any refund to the developer. OCEC will not charge any “previous construction cost” to the consumer or refund to the developer any money for a consumer connecting in a subdivision where the developer has installed only the primary power line.

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- F. Underground Facilities (Primary & Secondary): For subdivisions in which the developer has paid for installation of all primary lines, transformers, and secondary lines to each lot; the developer will be entitled to a construction credit equal to a 10 kVA pole-mounted single-phase transformer, lift pole, service and meter minus the cost to serve the consumer, for each consumer connected within 5 years from the execution of the construction contract.

6. UNDERGROUND FACILITIES

OCEC may agree to provide underground service to a group of contiguous landowners or lots presently served from an overhead distribution system provided such service is requested by all landowners involved.

- A. The landowners requesting the change shall first pay the total removal expense of the overhead distribution system, plus the total cost of the new underground system. Total removal expenses shall be the original cost, less depreciation, of the overhead facilities involved, plus the cost of removal, less salvage value of material removed.
- B. Modifications in service entrance or metering required for the land owner to accept underground service shall be entirely at the landowner's expense and it is the landowner's responsibility to complete the necessary modifications.
- C. Any consumer requesting that an overhead primary power line be converted to an underground primary power line, for his convenience, shall also pay for the underground primary power line to be designed and built with redundancy, for the reliability of the system.
- D. Where underground facilities are requested by applicant-land owner or developer, they shall provide at no cost to OCEC, all ditching, bedding, and back-filling in accordance with OCEC specifications.
- E. Pursuant to common Industry Standards, OCEC will not install, provide, or maintain a padmount 3-phase delta underground transformer or service. All other 3-phase underground service voltages will need to be coordinated with OCEC for approval.

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- F. OCEC shall install, own, and maintain new secondary underground cable for all services with load requirements less than 50 kVA. The consumer shall install, own, and maintain the conduit system as specified by OCEC for all such services. If for any reason OCEC is unable to install and/or remove the service cable in the customer's conduit system, the customer shall repair the conduit system at the customer's expense. OCEC will not connect the service until such repair has been made, and OCEC is able to install and/or remove the service cable in the customer's conduit system. Underground service terminations made in the customer owned meter loop may be made by the customer's licensed electrician.

- G. For all underground services with load requirements 50 kVA or larger, the customer shall install, own, and maintain the secondary underground cable from the transformer to the service entrance.
 - 1) When served by a padmount transformer, the customer shall also provide a rack or cabinet within 10 feet of the transformer, where the OCEC provided meter can shall be installed by the customer's licensed electrician. The customer shall also provide conduit system between the padmount transformer and meter can as specified by OCEC. OCEC will provide and install the meter, along with the required current transformers, which will be installed in the padmount transformer.

 - 2) When an underground service is served from pole-mounted transformer(s), the customer shall provide an OCEC approved weatherproof enclosure to house the current transformers at the service entrance. The OCEC provided meter can shall be installed next to this enclosure by the customer's licensed electrician, where OCEC will then install the meter. OCEC will specify the maximum distance the service entrance may be from the transformer(s) based on the customer's expected load and service conductor.

7. GENERAL RULES APPLICABLE TO OCEC EXTENSION POLICY

- A. For purposes of determining the amount of the advance in aid of construction required from a consumer under this policy, the total construction investment required for the new service shall include

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the new consumer's prorated share of any unrefunded advances received within the preceding twenty years from other consumers other than the United States Government, the United States Military, the State of New Mexico, county or local governments, the Mescalero Apache Tribe, and Railroads for the construction of facilities which will be used in providing the new service. OCEC will then allocate and distribute the prorated share collected from the new consumer among the consumers who paid the advances so that the new advance paid by each such consumer using the facilities (taking into account the distribution) will be approximately equal.

- B. All line extensions including poles, conductors, insulators, transformers and all necessary equipment shall be owned and maintained by OCEC. All metering, including instrument transformers when necessary, shall be installed, owned and maintained by OCEC.
- C. The consumer shall install, own and maintain, at their own expense, the complete service entrance wiring, including meter loop, meter pole, meter socket, and other appurtenances beginning at the point of contact of OCEC's service conductor with the consumer's service leads.
- D. Consumer's installation shall be installed and maintained, at his expense, in a thoroughly safe and efficient manner, and in full compliance with the National Electric Code, National Electrical Safety Code and the New Mexico Electric Code, or any other Governmental laws as well as Rules and Regulations of OCEC then effective.
- E. OCEC shall establish the maximum distance allowed for an electric meter from our primary line based on the consumer's electric load.
- F. When a consumer desires energy to be delivered at a point or in a manner other than that specified by OCEC, a charge shall be made by OCEC to the consumer equal to the additional cost associated with the consumer requested modifications.
- G. If unusual circumstances exist, an extension or enlargement may be made under a special contract providing the contract terms and

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conditions are such that no adverse effects shall be imposed on OCEC's existing consumers.

- H. When a consumer desires service under voltage conditions other than those available by OCEC, any necessary transformer and accessory equipment required to supply the required voltage shall be supplied, owned and maintained by the consumer at a point on the consumer's side of the meter.
- I. The consumer shall furnish and install at the consumer's own expense, reduced voltage starting equipment or equivalent on all motors of 10 horsepower and larger which are to be served from OCEC's electrical facilities. Starting equipment for reduced voltage starting must meet OCEC's approval. Service will not be furnished to operate individual single phase motors in excess of 10 horsepower rating except where written permission is granted by OCEC.
- J. The consumer or developer will provide necessary easements and rights-of-way pertaining to the area being served at no cost to OCEC.
- K. OCEC shall not under any circumstances or conditions be required to make an extension or enlargement, or provide underground facilities that would not be economically feasible and thereby cause hardship on other consumers of OCEC.
- L. Any electric line extension that OCEC deems to be a "main line" or "feeder line" that would benefit the total system may be paid in part or fully by OCEC to include refunds on lines less than 20 years old.
- M. Customers shall be responsible for the cost of any and all additional expenditures required by any approval agencies such as but not limited to State, United States Forest Service (USFS), Bureau of Land Management (BLM), Railroad and Highway Department.
- N. Convenience Light credits shall cover the cost of (1) 100 watt HPS light installed on existing OCEC pole with existing secondary. OCEC shall not install a light on consumers meter pole.

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8. CUSTOMER BUILT OPTION

The customer may elect to have the line extension constructed by a qualified contractor, in lieu of OCEC crews. **OCEC shall provide the engineering design, construction inspection, and any other labor, material and expenses associated with the line extension at the customer's expense. Thus, the customer will pay the actual cost of OCEC's activities, in addition to the contractor's cost.**

OCEC will charge a deposit of \$50 per lot for subdivisions, or \$50 per service outside of subdivisions, for the design, inspection, and other labor, material, and expenses associated with the line extension. The deposit will be applied to the actual costs incurred by OCEC. If OCEC's actual costs exceed the deposit, the customer will be invoiced monthly and payments will be due within 30 days. In the event the customer payment is overdue, OCEC will cease all engineering and inspection activity until the account is made current. In the event OCEC's costs are less than the deposit, OCEC will refund the difference between the deposit and OCEC's costs.

Upon satisfactory completion of the project construction and complete payment for OCEC's costs, OCEC will assume ownership and responsibility for the new line extension. The customer will hire only those contractors who are properly and currently qualified and licensed, in accordance with state and local law regulation, to construct electrical distribution systems, including, but not limited to, EL-1 and EE98 certification. OCEC must approve any contractor selected by the customer.

Also, the customer will comply with all applicable state and local construction inspection requirements.

OCEC will specify all materials and equipment to be used in the electrical system including, but not limited to: wire, cable, conduit, transformers, poles, fixtures, switching gear, relays, capacitors, and insulators. The customer shall be free to acquire said materials from any source, provided that all materials are new and from approved manufactures that meet the specifications as promulgated by OCEC that are in effect at the time OCEC provides the Design and Construction Specifications to the customer.

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The customer shall comply with OCEC specifications for materials, equipment, trenching, and construction standards. In order to assure compliance, OCEC will select a Construction Inspector who will visit the construction site. The inspector shall have the authority to accept, or reject the work and materials of the customer or contractor.

Contractor must receive written approval from OCEC construction Inspector prior to covering any conduit or cable. For contractor installed conduit, if OCEC is unable to pull cable, contractor is responsible for complete repair or replacement of problem area.

OCEC has no obligation to purchase an electrical system which is not accepted by OCEC's Construction Inspector. In addition, OCEC will not provide electric service to a system which is not accepted by OCEC's Construction Inspector.

The customer shall provide to OCEC easements and rights-of-way in an approved format of OCEC, which reflects the "as-built" configuration and location of the electric system. The customer shall provide a tabulated inventory of all material used in construction of the electrical Facilities.

After the electrical system has been constructed, and accepted by OCEC's Construction Inspector, the customer shall sell to OCEC and OCEC will buy the line extension for \$1.00. OCEC and the customer shall execute an Electric Line Extension Sales Agreement (customer built) to transfer the property. This sale shall be free of any liens or encumbrances and the customer shall provide a properly executed release and/or waiver of lien from any contractor employed in this project. Customer shall also provide all necessary easements.

9. ESTIMATES

All estimates for new electric service will be in the amount of \$50.00, per estimate.

All estimates for subdivisions will be an amount of \$50.00, per lot, per estimate.

Multiple requests for multiple estimates on the same property will incur multiple estimate fees.

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OCEC is not responsible for change in prices on estimates after 60 days or for changes in locations previously agreed on or new subdivision layouts.

Estimates for line extensions that are not in a subdivision, but are in excess of 1,320 feet, (1/4 mile) in length, will incur a cost of \$50.00 per quarter mile or fraction thereafter.

All estimate fees will be payable in advance. All estimate fees are non-refundable. However, OCEC will credit the first requested estimate fee towards the customers contribution in aid to construction.