



LINE EXTENSION POLICY, APRIL 1, 2009

I. OVERVIEW

This Line Extension Policy defines the responsibilities of the District, and the responsibilities of the customer, for the extension of new electrical service. The Line Extension Policy is written to cover the majority of probable line extension situations. The Policy cannot, and is not intended to, cover every specific situation or eventuality. The General Manager is therefore authorized to make policy adjustments to accommodate those unique situations as they arise.

II. APPLICABILITY

The Line Extension Policy applies to all individual customers, subdivisions or developments, commercial and industrial customers. The District may be unable to extend the distribution system where the extension is either physically or economically not feasible.

III. DEFINITIONS

1. **Aid To Construction** - Payment or approved construction work required of the customer.
2. **Ancillary Service** - Service to small loads or temporary facilities such as garages, barns, travel trailers, telephone booths, signs, communication towers, restrooms or other similar uses.
3. **Base System** - The power system needed to serve.
4. **Customer Contribution** - The monetary portion of Aid to Construction.
5. **Questionable Permanence** - Facilities that are to be served for short periods, or that may be speculative in nature, as determined by the District.
6. **Service** - All necessary lines and equipment needed to provide electricity to the customer.
7. **Service Drop** - The electrical line(s) from District equipment to the customer's equipment.

IV. LINE EXTENSIONS – GENERAL

The District will construct facilities necessary to extend the distribution system to new customers, or to serve additional loads of existing customers, subject to the latest revision of the District's Rules and Regulations, and also that:

1. The extension must be from an existing distribution line used by the District.
2. The extension must be located along a permanently established road upon which the District has, or may obtain a satisfactory permit or franchise; or, if not on an established road, a permanent easement or right-of-way must be provided to the District.
3. The extension shall be built, owned, operated and maintained by the District. (The division of expenses is detailed in the following sections of this policy.)

V. SERVICE FROM EXISTING FACILITIES

All District-provided services will be designed to achieve the most direct route practical, at the least expense to the District. If a customer requests a more expensive service, and the District agrees to provide it, the customer will pay the additional expense.

1. **Permanent Residential Service.** The District will provide the transformer, meter, and service drop, or equivalent equipment. The customer contribution for these facilities is the "Transformer, Meter and Service Fee" as defined in Central Lincoln Fee Schedule 700. Any other fees from Schedule 700 (or any other department) must also be paid.
2. **Ancillary Service.** The District will provide the meter and service drop at the customer's expense. The District will provide transformation at the customer's expense if the requested service requires installation of or upgrade to a transformer.

(Continued on back)

3. Commercial and Industrial Service. The District will provide the transformer(s), and meter(s) to serve the maximum demand required, as determined by the District. The cost of the transformer(s) and meter(s) will be paid by the customer.

The customer will be responsible for trenching and conduit installation for underground extensions.

If service is requested to a property that previously had service with Central Lincoln, but has been disconnected in excess of 12 months:

- Any overhead facilities must be converted to underground.
- Customer must pay an amount equivalent to the current Basic Charge times the number of months disconnected, or the current Transformer, Meter and Service fee, whichever is less.

NOTE: In all of the above cases, where cost to provide service requires additional construction in excess of that normally provided by the District, the customer shall contribute, in advance, the estimated additional construction cost. This contribution will be partially refunded under the following condition:

- Within five (5) years of completion of an extension, additional customers are served from that extension.

VI. CONTRIBUTIONS IN AID OF CONSTRUCTION

Contributions in aid of construction may be either money or approved construction work. Monetary contributions must be made before work can begin on the extension. Approved construction work will be limited to general construction such as trenching, right-of-way clearing, etc. No electrical construction work will be approved as a contribution. No right, title or interest in the extension will accrue to the customer from this contribution.

VII. SERVICE FROM PRIOR EXTENSION

Customers desiring service from a prior extension less than five (5) years old, to which a contribution has been made by another customer, must pay their proportionate share of that contribution in advance of construction. This amount is in addition to any contributions required under Section V.

VIII. SUBDIVISION OR DEVELOPMENT

The subdivider and/or developer shall be required to pay, in advance of construction, the total amount of the District's estimated cost to provide the base system to serve the subdivision or development (or the cost to provide that portion of a planned subdivision or development requiring service under a phased development program). Any deviation from payment plan must be approved by the General Manager.

Individual residential customers requesting service within a subdivision or development shall be provided service in accordance with the applicable specifications in Sections V and VI.

IX. HIGH VOLTAGE SERVICE

The District will provide high voltage service under certain conditions. These will be negotiated with the customer.

X. SERVICE TO A LOAD OF QUESTIONABLE PERMANENCE

If in the opinion of the District, and at its sole discretion, the line extension is to be constructed to serve a load of questionable permanence, the customer will be required to make a payment, in advance of construction, in an amount equal to the estimated irrecoverable cost. (Irrecoverable costs are defined as the cost of construction of the facilities, plus the cost of removal of the same facilities, minus salvage value.) The amount of this payment **in excess of the normal customer contribution** will be refunded on the basis of not more than 20% per year of full operation, up to a maximum of five years. In the event the customer discontinues service prior to the full amount being refunded, the balance of the advance will be retained by the District and will not be refunded.

XI. LINE EXTENSION TO SERVE AN ANCILLARY SERVICE

All costs above the normal allowance for an ancillary service will be paid by the customer in advance of construction. All subsequent line maintenance or replacement costs will be the responsibility of the customer.

XII. REFUNDING CONTRIBUTIONS

The District shall refund contributions by new customers on a preexisting line extension, to the contributor(s) to that extension, or to the current owners of the affected properties. The purpose of this refund is that all customers served from the extension share proportionally in the cost of the extension.

Refunds apply to monetary contributions only and shall be made to the legal owner(s) of the property(s) served by the extension at the time of the refund.

In no case shall any customer receive refunds in excess of the customer's original monetary contribution.