

WELLS RURAL ELECTRIC COMPANY

Adopted: December 20, 1984

Revised: July 21, 2020

Reviewed: August 15, 2003

RULE NO. 9

SERVICE CONNECTIONS AND LINE EXTENSIONS

A. General Provisions:

1. All new line extensions, service connections, line re-locates or modifications to the Company's existing system will be made under this Rule. All changes or additions may/will include design, staking, easement/right-of-way procurement, and possible system impact fee.
2. All persons requesting line extensions, line re-locates or modifications, and service connections must complete a WREC Application for Electric Service. Applications will be processed in a reasonable time and field meetings will be scheduled accordingly.

B. Applicability:

1. This Rule is applicable to all Applicants requesting service connections and line extensions in the Company's service territory. The Company shall review all Applications to determine the feasibility of service connections and line extensions as requested. For the purpose of this Rule service connections and line extensions within the corporate limits of municipalities or other franchising entities, shall be governed by franchise provisions and ordinances, if and where applicable.
2. The Company requires separate Agreements setting forth contributions in aid of construction when the Applicant requires service in excess of 5,000 kVA or contract customers. C. Availability:

1. Available, within WREC's service territory, to all classes of retail electric service.
2. When more than one applicant applies for a proposed extension at the same time the Company will prorate the cost of extension used in common to serve each applicant.

D. Ownership:

The Company shall own all service connection and line extension installations and retain all rights to them. All service connections and line extensions shall become part of the Company's distribution system and Applicant releases to Company all rights, title and interest thereto.

All line extensions are the property of the Cooperative to own, operate and maintain regardless of the member's original contribution to construction. WREC's facilities not utilized for more than five years will be considered an idle service. Idle services may be removed, at the Cooperative's sole discretion.

E. Company Specification:

1. Design and Construction – All service connections and line extensions shall be designed and constructed to Company's standards and specifications.
2. Right-of-Way – The Company shall construct, own, operate, and maintain lines only along public streets, roads, highways, public lands, and private property that the Company has the legal right to occupy. If additional right-of-way, or change to existing right-of-way, is required for the facilities requested, the Company will create all private easement documents and deliver to applicant to obtain signed copies from all private landowners. All public land right-of-ways will be created, permitted, and obtained by the Company at a direct deposit to the applicant.
3. Line Routing – The facilities shall be designed by the Company complying with the Company's engineering, operating and construction specifications. All routing and design will result in the most economical installation for both the applicant and the Company to operate and maintain.

F. Preliminary Investigation and Engineering:

1. The Company will provide Preliminary Investigation to all applicants. An estimate will be provided without a field visit and will not be considered a formal cost and will not be binding on the Company or the applicant.
2. On Site Engineering – If the applicant requests a cost that is contractually binding, the applicant will be required to pay an advance for an on-site field visit. The advance amount will be determined per application and type of service request.

G. Service Connection Classification:

1. Temporary Service – The Applicant is responsible for paying to the Company all costs associated with the installation and removal of a Temporary Service. The Company shall require a deposit by the Applicant of the estimate of all costs associated with the installation and removal of a Temporary Service prior to processing the application. No credit is given for non-recoverable material used.
2. Permanent Service - Every cost associated with a permanent service shall be classified as aid to construction and will be the responsibility of the Applicant.

3. Relocating or Increasing Capacity - All costs associated with relocating or increasing the capacity of existing services shall be classified as Aid to Construction and will be the responsibility of the Applicant. Applicant will be responsible for all costs associated with decreasing capacity and will be credited a portion of the original transformer cost.

H. Line Extension Classification and Reclassification:

1. The Company shall classify Line Extensions as "Permanent" or "Temporary" each as defined in Rule No. 1 of the Company's Rules.
2. Reclassification – An Applicant may request a reclassification of a Line Extension. The Company shall consider such requests based on undue burden or adverse effect on the Applicant.

I. Applicant Responsibility:

Applicant will be responsible for all aid to construction, returning the signed contract, and private easement right-of-way, before any scheduling of construction. J.

Company Surplus Capacity:

The Company may, at its own discretion, design excess capacity into Line Extension facilities. The Company shall fund the incremental cost of such excess capacity. K.

Cancellation of Project:

If it is determined by the Company that the Applicant has cancelled or significantly delayed the project, the Company shall terminate the agreement and refund to the Applicant any unspent funds held by the Company for the terminated project.

L. Special Provisions:

1. System Impact Fee - An Applicant whose loads require a transformer sized 100 kVA through 4999 kVA shall be assessed an impact fee of \$10 per kVA. The impact fee is required by the Company to offset the costs of future system upgrades.

Power Factor Requirements - Applicant(s), other than irrigation services, whose service requires a transformer size of 225 kVA or larger shall meet a design Power Factor of 98% minimum. Applicant(s) shall provide, as a minimum, a one-line diagram of the power factor design. Power factor correction equipment shall be installed to follow the load, i.e., when the load is on, the power factor equipment is on and when the load is off, the power factor is off. Applicant(s) with a transformer size of 225 kVA or larger shall provide a professional engineer's certification that the Applicant(s) load is designed for a power factor of 98% minimum. The professional engineer shall be licensed in the state that the Applicant(s) service is to be located in.

M. Modification/Amendments to the Line Extension Agreement:

The Applicant may not change, modify, or amend the Line Extension Agreement, However, if the Applicant, for good cause shown, request additional terms and/or language to be added to the Line Extension Agreement Applicant may propose it to Company for Company's review and approval, at Company's sole discretion, which may be denied for any reason, review of which shall be responsible for all costs associated therewith, including but not limited to, legal review. The proposed language shall not conflict with the Line Extension Agreement. Terms and/or language approved by the Company shall be attached to the Line Extension Agreement as an Exhibit "A" thereto.