

SERVICE CONNECTION AND LINE EXTENSION POLICIES

Rules, Regulations or Extension Policy

The following Rules and Regulations set forth the service connection, distribution, and transmission system line extension policies available in all territory served by United Power.

1. DEFINITION OF TERMS

a. Distribution System

The term "Distribution System" shall be interpreted to mean United Power's primary and secondary electric lines and equipment owned or leased by United Power and used for the purpose of general distribution of electrical energy to the point of attachment to the customer's system.

b. Transmission System

The term "Transmission System" shall be interpreted to mean United Power's electric lines and equipment used for transmitting electric energy from generating plants, purchase points, and other sources of supply to substations for transformation, United Power's system, or to the point of attachment to the customer's system.

c. Overhead Service Connection

The term "Overhead Service Connection" shall be interpreted to mean the overhead secondary voltage conductor and associated electric facilities between the last pole of United Power's distribution system and the point of attachment to the customer's system.

d. Underground Service Connection

The term "Underground Service Connection" shall be interpreted to mean the underground secondary voltage conductor and associated electric facilities between the last point of United Power's distribution system and the point of attachment to the customer's system.

e. Line Extension

The terms "Line Extension" or "Extension" shall be interpreted to mean construction necessary to supply electric service to the point of attachment to the customer's system or necessary to supply an upgrade to the electric service to an existing customer.

f. Permanent Service Extensions

The term "Permanent Service Extension" or "Permanent Service" shall be interpreted to mean service connections, distribution, or transmission line extensions to those customers whose use of service, both as to the amount of usage and/or the permanency of service, can be reasonably assured.

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Ralph H. Knud
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1. DEFINITION OF TERMS - (continued)

g. Indeterminate Service Extensions

The term "Indeterminate Service Extension" or "Indeterminate Service" shall be interpreted to mean service connections, distribution, or transmission line extensions to those customers whose use of service cannot be reasonably assured as to its amount of usage and/or permanency of service.

Indeterminate Service shall include, but not be limited to, mobile homes not installed on permanent foundation, mines, quarries, sandpits, oil and gas operations, grain handling facilities, commercial enterprises of a speculative nature, development of property for sale, and any location where the applicant is not the owner of the property. Indeterminate service is also applicable where there is little or no immediate demand for service, where the service is for a singular purpose which could readily be converted to alternate energy sources, and for all other services to which neither permanent nor temporary service is applicable.

h. Temporary Service Extensions

The term "Temporary Service Extension" or "Temporary Service" shall be interpreted to mean service connections, distribution, or transmission line extensions to those customers where the use of electric service is of a temporary nature or of such uncertain or speculative character that the permanency of revenue is highly questionable.

Temporary service shall include, but not be limited to, services for use of a period of eighteen (18) months or less, circuses, bazaars, fairs, concessions and similar enterprises, and construction sites.

i. Plant Investment Fee (PIF)

The term "Plant Investment Fee" or "PIF" shall be interpreted to mean a fee designed to recover current or future increases in United's transmission or distribution system plant investment necessitated by Line Extensions and/or new loads.

j. Automated Meter Reading System Fee (AMR Fee)

The term "Automated Meter Reading System Fee" or "AMR fee" shall be interpreted to mean a fee designed to recover a portion of the investment for installing automated meter reading equipment at United Power's substations, on their distribution system, and at customer metering points. This fee may be charged anytime a new meter is installed.

k. Isolated Meter Fee

The term "Isolated Meter Fee" shall be interpreted to mean a fee imposed for meters not serving an addressed residence or building. Isolated meters shall include, but not be limited to, sprinkler clocks or landscape lighting located in common areas of subdivisions, remote terminals for telephone or cable services, or entry signs.

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2. DESIGN APPLICATION

Applicants for electric service requiring construction of electrical facilities shall be required to execute a Design Application and pay the associated design fee(s) before engineering/design services and construction cost estimates will be provided. Additionally, if load characteristics, subdivision plats, or a change to the applicant's original design requires additional estimates and engineering/design services, the applicant may be required to pay a redesign fee for these additional services. If the applicant executes a line extension agreement, the preliminary investigation and engineering/design services shall be considered a cost of constructing the line extension, and any design fee(s) advanced by the applicant shall be treated as a construction deposit and will be applied to the total construction cost of the extension. However, if the applicant does not execute a line extension agreement within one year after a cost estimate is provided or elects to abandon the project, any design fees advanced shall not be subject to refund.

3. FEE SCHEDULE

- Residential Line Extension: \$ 350.00 per extension
- Residential Redesign: \$ 350.00 per extension

- Commercial/Industrial Line Extension: \$ 750.00 per extension
- Commercial/Industrial Redesign: \$ 750.00 per extension

- Subdivision Line Extension: \$1,500.00 per extension - Plus
\$ 50.00 per lot
- Subdivision Redesign: \$1,000.00 per occurrence

- Plant Investment Fee (PIF) \$ 150.00 per 100 amps, per phase

- Automated Meter Reading System Fee (AMR) \$ 63.00 per meter

- Isolated Meter Fee \$ 200.00 minimum
as defined in United Power rate schedule
TII-Temporary and Isolated Electrical
Service

4. FACILITIES OWNERSHIP

When a line extension requires the construction of more than a service connection to supply the individual customer, although for his sole use, such facilities shall be owned and operated as part of United Power's general distribution system unless the facilities are owned, operated, and maintained by the customer.

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Ralph H. Lowell
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5. CONSTRUCTION DEPOSIT REQUIREMENTS

Except as otherwise provided by the applicable line extension policy, construction deposits shall be based upon the estimated cost of design/engineering, construction, and installation of the line extension and facilities necessary to adequately supply the service requested by the customer. The construction deposit shall include, but not be limited to, all costs necessary for the extension, such as primary and secondary distribution facilities, transformers, service connections, rights-of-way, tree trimming, special housing, special supports, lightning arresters and other protective equipment, as well as applicable overheads and fees. With the exception of an Automated Meter Reading (AMR) or Isolated Meter fee, the cost of the meter shall not be included in the costs of the extension but shall be furnished, installed, and owned by United Power without additional charge.

6. UNITED POWER DISCRETIONARY SYSTEM UPGRADES

The line extension construction deposit shall include all costs necessary to provide the applicant with sufficient capacity to serve the end customer(s) with facilities constructed in accordance with United Power's construction specifications. United Power, at its discretion, may elect to upgrade a line extension by adding capacity, size, or strength beyond the requirements of the current customer(s), provided such upgrades shall be added at United's expense without obligation to the applicant.

7. LINE EXTENSION CONSTRUCTION SCHEDULE

Extensions to United Power's electrical system shall be built within a reasonable period once all requirements of the applicable line extension agreement and United's Rules and Regulations have been met and all required fees have been received by United.

8. FROST AND INCLEMENT WEATHER CONSTRUCTION

If United Power determines that an applicant has requested construction of a line extension when the ground is frozen or at a time when inclement weather will result in construction costs greater than the cost originally estimated, the applicant shall be responsible for any additional charges.

9. COST ESTIMATE EXPIRATION

United Power's estimated construction costs and deposit requirements for each extension will become void ninety (90) days after United Power provides a written estimate to the applicant. If a written extension agreement is not fully executed before the ninety-day period expires, United Power may elect to extend the time period for the original estimates or produce new estimates reflecting the then current construction costs and terms and conditions of United Power's extension policy.

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Juan Petroc
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10. CONSTRUCTION SPECIFICATIONS

a. Determination Of Type, Character, And Capacity

The type and character of construction and the capacity required for an extension shall be determined by United Power.

b. Design And Construction Considerations

Facilities shall be constructed to meet the needs of the customer while maintaining system reliability and performance. United Power shall use good utility practices and evaluate all circumstances surrounding the proposed construction including:

- i. Public and employee safety in the installation, operation, and maintenance of the facility;
- ii. Compliance with the National Electrical Safety Code, other applicable engineering standards, and electric utility norms and standards;
- iii. Electric system reliability requirements;
- iv. The presence, age, condition, and configuration of existing facilities in the affected area;
- v. The presence and size of existing and projected right-of-way in the affected area;
- vi. Existing topology, soil, spacing, and any environmental limitations in the specific area;
- vii. Existing and reasonably projected development in the affected area;
- viii. Installation, maintenance, useful life, and replacement cost factors;
- ix. Other relevant factors affecting the installation or maintenance of facilities.

c. Extension Location And Route

Origin of the line extension, and the route to be followed in the construction of an extension, shall be determined by United Power after due consideration of design and construction factors described in the Design and Construction Considerations section of this rule, with the objective of providing the best service possible. For good cause, the extension origin may not be located at the point on the existing distribution system most proximate to the applicant's premises, nor be the shortest distance between origin and the point of attachment to the customer's system.

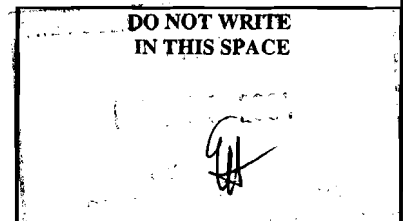
d. Joint Facility Construction

In cases where line extensions are constructed on poles or in trenches used jointly with another utility, the construction deposit chargeable to the extension shall be determined as though the necessary facilities were to be entirely constructed by United Power.

11. UNDERGROUND DISTRIBUTION AREA DESIGNATION

After due consideration to aesthetics and the environment, and if economically feasible, United Power may designate a given area as an "Underground Distribution Area." United Power may also designate an area as an "Underground Distribution Area" upon the lawful order of a governmental

authority. In such areas where United Power has installed or is required by lawful authority to install underground distribution systems, all subsequent line extensions, distribution systems, and service connections in those areas shall be placed underground.



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Regina H. Kroll

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12. OVERHEAD SERVICE CONNECTIONS AND METER INSTALLATIONS

a. Permanent And Indeterminate Overhead Service Connections

In those cases where permanent or indeterminate overhead service is to be supplied and no more than a meter is required to serve the customer, United Power will install the meter at no charge to the applicant. Applicants will, however, be responsible for all applicable PIF, AMR System and Isolated Meter fees.

b. Temporary Overhead Service Connections

In those cases where temporary overhead service is to be supplied, the applicant will pay United Power, in advance, the estimated cost of the installation and removal of the service connection, less the salvage value of removed facilities and equipment.

c. Overhead Service Connections In Underground System Areas

Overhead service connections will not be available in those areas where United Power has installed or is required to install underground distribution systems.

13. UNDERGROUND SERVICE CONNECTIONS AND METER INSTALLATIONS

a. Permanent And Indeterminate Underground Service Connections

In those cases where permanent or indeterminate underground service is to be supplied and no more than a meter is required to serve the customer, United Power will install the meter at no charge to the applicant. Applicants will, however, be responsible for all applicable PIF, AMR System and Isolated Meter fees.

b. Temporary Underground Service Connections

In those cases where temporary underground service is to be supplied, the applicant will pay United Power, in advance, the estimated cost of the installation and removal of the service connection, less the salvage value of removed facilities and equipment.

c. Underground Service Connection Locations

In those areas where United Power has installed or is required to install underground distribution systems, all service connections shall also be placed underground. At United Power's discretion, underground service connections may also be provided from overhead distribution systems upon the request of the developer or customer.

14. PERMANENT AND INDETERMINATE SERVICE LINE EXTENSIONS

United Power shall construct, own, operate, and maintain all extensions of its distribution system subject to the following terms and conditions.

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14. PERMANENT AND INDETERMINATE SERVICE LINE EXTENSIONS – (continued)

a. Refund And Collection Of Differences Between Actual And Estimated Costs

Applicant(s) will advance to United Power, prior to construction of the extension, a construction deposit equal to the estimated total cost of the extension. Upon completion of construction of the extension, the construction deposit shall be compared to the actual cost of design and construction as entered into the books of United Power. If the actual cost is less than originally estimated, United Power shall refund the portion of the construction deposit greater than the actual costs, without interest, to the applicant. If, however, the actual cost of construction is more than originally estimated, United Power may require the applicant to pay any amounts greater than originally estimated.

b. Allocation Of Costs Between Multiple Applicants

Where two or more applicants are involved in the construction of a new line extension, United Power shall allocate costs and required construction deposits (if any) among the applicants proportionate to the applicants' location within the new line extension.

c. Connection Of Permanent Or Indeterminate Customers To Existing Extension


United Power may connect additional customers requiring permanent or indeterminate service to an existing extension. When the connection of additional customers to an existing extension is proposed, the total investment of the existing extension's shared facilities shall be determined to the new point of attachment and shared equally between all existing and additional customers to be attached to this section of line. Additional customers shall be liable for their portion of the shared facilities costs, the cost of any additional construction required, and all applicable fees. Original or previous members of the line extension shall be refunded a proportionate share of their original deposit if the additional customer is connected to the line extension within a five- (5) year period. Taps attaching more than five (5) years after construction of the original extension will be considered a new extension and no refund will be made to the original or previous members of the extension. After the fifth tap to an existing extension, the extension shall be considered a feeder line, any new taps will be considered a new line extension, and no refund will be made to the original or previous members of the extension. Any member of an extension declaring bankruptcy will forfeit all rights to refunds of construction deposits.

d. Connection Of Temporary Customers To Existing Extension

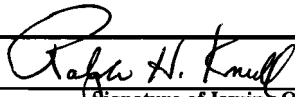
United Power may connect additional customers desiring temporary service to an existing service extension. The connection of additional temporary customers shall have no effect on the construction deposit(s), or refund(s) of deposits, to the then existing customers.

e. Extensions Constructed Closer To Another Utility's Distribution System

In cases where another utility has a distribution line of sufficient capacity closer to the applicant's premises than United Power's own existing facilities, United Power shall determine the investment chargeable to the applicant as if service was to be provided from the distribution line of the other utility.

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15. INDETERMINATE FACILITIES REPLACEMENT

In the event United Power determines that facilities providing service to Indeterminate accounts need to be replaced, the customer may select one of the following options:

a. Five-year Revenue Guarantee Agreement

United Power will replace indeterminate facilities, at no cost to the customer, in exchange for a five-year Revenue Guarantee Agreement. Under this agreement, the customer agrees that the service will remain connected for a minimum of five years. If the service is disconnected for any reason before the five-year period has expired, the customer will be obligated to pay United Power an amount equal to:

- Total replacement cost; divided by 60 months; Multiplied by the number of months remaining in the Agreement.

b. Refundable Replacement Cost Deposit

The customer may elect to pay a refundable deposit equal to the total facilities replacement cost. The deposit will be refunded, without interest, over a five-year period at the rate of 20% annually. If the customer disconnects before the five-year period has expired, the remainder of the deposit is forfeited to United Power.

c. Service Disconnect

The customer may elect to permanently disconnect the service.

16. TEMPORARY LINE EXTENSION

a. Temporary Extension Construction Deposit

Applicants for temporary service will be required to pay United Power, in advance of construction, a deposit equal to the total estimated cost of constructing and removing all facilities, including service connections and meters, plus all applicable fees, less material salvage value. If the actual cost of construction and removal is less than originally estimated, United Power shall refund the portion of the construction deposit greater than the actual costs, without interest, to the applicant. If, however, the actual cost of construction and removal is more than originally estimated, United Power may require the applicant to pay any amounts greater than originally estimated.

b. Reclassification Of Temporary Extensions To Permanent Or Indeterminate

Electric service to an applicant for temporary service may be reclassified as either permanent or indeterminate if the character of the customer's business is changed to justify the continued operation and maintenance of this line extension. At the time of reclassification, the appropriate permanent or indeterminate policies shall become applicable. Temporary service normally will not be continued for a period longer than eighteen (18) months, except for heavy construction such as

dams or tunnels, etc. Where the period of service is of unknown duration but longer than eighteen months, United Power may continue, at its discretion, to render temporary service under its agreement with the applicant.

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16. TEMPORARY LINE EXTENSIONS – (continued)

c. Attachment Of Additional Customers To Temporary Extensions

United Power shall not connect additional customers to a temporary service line extension except when justified by unusual circumstances. In such cases where additional temporary, permanent, or indeterminate customers are connected to a temporary line extension, United Power shall have no obligation to refund any amounts to the original applicant for temporary service.

17. CONVERSION OF OVERHEAD TO UNDERGROUND

Existing overhead facilities may be converted to underground, at United Power's discretion, upon customer request. If United Power determines that such conversion can reasonably be made, the customer shall be required to pay a non-refundable aid-to-construction deposit equal to the estimated cost of the new facilities to be installed, plus the cost of removing existing facilities, less applicable material salvage value.

18. RELOCATION OF FACILITIES

Existing facilities may be relocated, at United Power's discretion, upon customer request. If United Power determines that the relocation is for aesthetic reasons, the convenience of the customer, or as a requirement of the customer by a governmental agency, the customer shall be required to pay a non-refundable aid-to-construction deposit equal to the estimated cost of the new facilities to be installed, plus the cost of removing existing facilities, less applicable material salvage value. If the relocation of facilities located in public right-of-way is required of United Power by a government-initiated project (as contrasted with privately-initiated projects), except as may be amended by franchise or contract, United Power shall bear the relocation expense.

19. SERVICE UPGRADE

a. Residential Service Upgrade

Increases in residential loads requiring an upgrade to United Power's metering, transformer, or other facilities, will be performed by United at no cost to the customer. The customer shall, however, be responsible for all PIF, and AMR System and Isolated Meter Fees applicable to the upgrade.

b. Commercial, Industrial, Oil Well, Or Irrigation Service Upgrade

Any change to a commercial or industrial customer's main disconnect panel which necessitates an upgrade to United Power's metering, transformer, or other facilities, will be performed by United at the customer's expense. The customer shall be responsible for the cost of installation of new facilities; removal of existing facilities, less salvage; as well as all PIF, AMR System and Isolated Meter Fees applicable to the upgrade.

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