

**CENTRAL VALLEY ELECTRIC COOPERATIVE, INC.  
SIXTH REVISED RULES AND REGULATIONS NO. 15  
CANCELING FIFTH REVISED RULES AND REGULATION NO. 15**

**EXTENSION POLICY**  
**Application – All Customers**

**I. APPLICATION:**

This policy is applicable only for service to permanent facilities and does not apply to temporary service with the exception of Section IX.

**II. EXTENSION OF FACILITIES:**

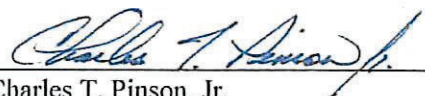
Central Valley Electric Cooperative, Inc. (CVEC) will extend facilities and provide service under applicable rate schedule without cost to the consumer where the cost does not exceed those costs set forth by customer classification in Section III. reserves the right to determine, finally, the conditions under which the extension will be made. Extensions made by CVEC shall be and will remain permanently the property of CVEC. All customers will be required to execute a Service Agreement, subject to any applicable CVEC policies regarding service agreements.

**A. RESIDENTIAL CUSTOMERS**

Upon a residential customer's request for a line extension, CVEC shall:

1. Provide the residential customer with a copy of this Extension Policy and explain the contents;
2. Establish a reasonable time not exceeding thirty (30) days after the residential customer has complied with all reasonable requirements for the delivery to the residential customer of the estimate for the line extension;
3. Complete construction of the line extension within sixty (60) days after the residential customer signs the Service Agreement and after all applicable permits, rights-of-way, materials and labor necessary for the line extension have been secured and all other applicable contractual obligations completed. CVEC shall exercise due diligence and good faith in its efforts to obtain such permits, rights-of-way, materials, labor and contractual compliance; however, CVEC shall not be required to complete construction of the line

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Signature:   
Charles T. Pinson, Jr.  
Executive Vice President & General Manager

**EFFECTIVE**

June 1, 2023  
Replaced by NMPRC  
By: Rule No. 540

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extension within this time frame where *force majeure* or hazardous conditions exist;

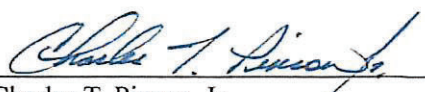
4. Advise the residential customer that if the residential customer is not satisfied with the line extension proposal including cost and time of construction, an informal review of the proposal may be provided by CVEC personnel authorized to conduct such reviews and to modify such proposal, where appropriate;
5. The Service Agreement shall depict the rate applicable to the residential customer.

**III. COOPERATIVE INVESTMENTS TOWARD EXTENSIONS:**

When extensions of CVEC's facilities is required to provide services, CVEC will extend facilities on the following basis:

- A. Residential - CVEC will invest \$1,000.00 per customer, with the remaining cost of the extension to be furnished by the applicant.
- B. Commercial Service - Same as Residential
- C. Large Power -
  1. For oil and gas production facilities or installations receiving this service CVEC will invest \$1,000.00 per customer or \$50.00 per contracted kilowatt, whichever is greater ("CVEC Contribution"). The applicant shall be required to pay prior to construction an amount equal to the total investment of CVEC to install necessary facilities plus the estimated cost to retire transformers, metering, primary and secondary service drops (Contribution in aid of Retirement). CVEC shall refund the CVEC Contribution and the Contribution in aid of Retirement back to the customer at the rate of three (3%) percent per year as long as the account is active. Should the account become inactive during any period prior to the member receiving the full refund, the balance of the CVEC Contribution and the Contribution in aid of Retirement shall automatically become a non-refundable contribution in aid to retirement of facilities.

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- 2. For all other customers receiving this service, CVEC will provide the CVEC Contribution.
- D. Irrigation Pumping Service - CVEC will invest \$1,000.00 per customer or \$50.00 per contracted kilowatt, whichever is greater.
- E. Oil Well Pumping - Same as Large Power.
- F. Large Commercial Service 1,000 KW or Greater - Same as Large Power. X
  - 1. Non STC-22 Load Rate as defined in the CVEC Tariff 7A – Same as Large Power. X
  - 2. STC-22 Load Rate as defined in the CVEC Tariff 7A – CVEC shall make no investment towards an extension. X

**IV. ADVANCE IN AID TO CONSTRUCTION FOR EXTENSION:**

When the estimated cost to extend facilities is in excess of the amount invested by CVEC, the consumer will provide the cost in excess of the allowed amount as determined under Section III above, subject to applicable CVEC policies and execute a service agreement.

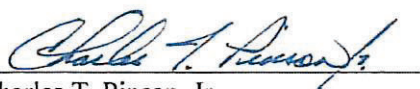
**Non-Residential Service Customers:**

Except as otherwise provided in Section III. C.1. of this Rule No. 15, in the event a contribution in aid to construction is required from the applicant the applicant shall execute a Service Agreement and pay the entire contribution in aid to construction. CVEC reserves the right to determine the specific terms of any contribution in aid to construction amounts and Service Agreement required from the applicant.

**Residential Service Customers**

In the event the amount of advance is \$500.00 or less, the residential customer will be required to pay the total amount of advance prior to the start of construction. Should the required advance exceed \$500.00 the residential customer shall be given the option to either pay the full advance or pay a minimum of 25% of the advance required prior to the

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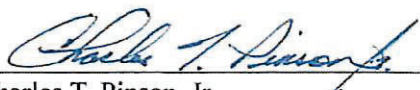
start of construction with the balance being paid in equal payments over a period determined by CVEC, which shall not exceed five (5) years, and such payments will include interest calculated at the current calculated CVEC weighted average cost of debt. Applicants desiring to finance contributions in aid to construction will be subject to an acceptable credit check. Any charges associated with performing a credit check shall be included in the total cost of extension of facilities and be borne by the applicant.

**Adjustments to Advance in Aid to Construction**

- A. In the event the actual cost of any extension is less than the estimated cost, the customer will be refunded the difference between the actual cost and estimated cost or, in the case of a Residential customer and if the Residential customer is making payments for the line extension, the term of the contract period will be adjusted to reflect actual cost of the extension.
- B. In the event the actual cost of any extension is greater than the estimated cost, the customer will pay the difference between the actual cost and estimated cost or, in the case of a Residential customer and if the Residential customer is making payments for the line extension, the term of the contract period will be adjusted to reflect the actual cost of the extension.
- C. At a customer's request, CVEC will review and determine the adjustment to be made to the original customer providing the advance when a new customer connects to the subject extension qualifies under Section III of this rule and remains on CVEC's line for six (6) months or more.
  - 1. Method of calculating refund to original contribution when the second party is connected to that portion of the line built for the original contributor.
    - a. The actual cost of extending service to the second party must be determined. If the cost is less than the CVEC contribution provided for in Section III, the original contributor will receive a refund equal to the CVEC contribution, less the actual cost of

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extending service to the second party. In no event will the refund be greater than the original amount of the contribution.

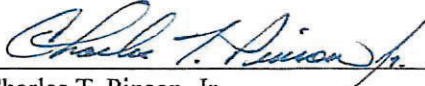
- b. If the original contributor is paying out the contribution over a period of time as provided in Section IV above, the amount of the refund will be calculated in accordance with Section IV.C.1.a above, and the amount will be applied to the principal amount outstanding. X
- c. If the original contributor paid the total amount of the required contribution, the amount of the refund will be calculated in accordance with Section IV.C.1.a above and a check issued to the original contributor after the second party has been connected to CVEC's lines for six (6) months. X
- d. No refund shall be made for customers connected more than five (5) years after the date of original construction.

**V. REQUESTS FOR SERVICE UPGRADES**

In the event a consumer requests additional capacity above what is currently being provided and provided CVEC has sufficient capacity to service the request, the following shall apply:

- A. If CVEC determines only the transformer(s) and service wire serving the consumer is in need of being increased to serve the additional capacity, CVEC shall change-out the transformer(s) and service wire at no additional cost to the consumer and may require a new Service Agreement be executed by the parties for the additional capacity being provided by CVEC.
- B. If CVEC determines the transmission power lines, distribution power lines and/or substation(s) needs to be increased, Sections III and IV above may apply with the CVEC Contribution being adjusted by the difference between the new capacity requested and the original capacity requested and a new Service Agreement required.

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- C. If a consumer requests three-phase service where single-phase service currently exists, the consumer shall pay in advance the total amount to upgrade the service.
- D. Loads served under the CVEC Tariff 7A for STC-22 shall pay for any required upgrades or additional facilities and the coop shall make no investment towards such upgrades or additional facilities.

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**VI. PRIMARY METERING POINTS**

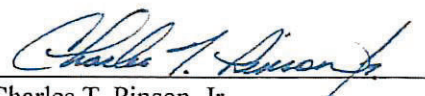
In the event service is provided at a primary distribution voltage level, such service shall be provided by the installation of a primary metering point pursuant to Rules and Regulations No. 16. Primary metering points shall be served only under Rate No. 7 or No. 7A, depending on the load requirements.

**VII. EXTENSIONS WITHIN SUBDIVISIONS AND DEVELOPMENTS:**

Extension of facilities to serve subdivision and land developments will be made on the following basis:

- A. The interested party shall contact CVEC 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 CVEC a legally dedicated plot plan of the subdivision showing the boundaries, lot layout by number, streets, alley ways, easements and any other information pertinent to the development of the property.
- C. The developer shall provide the necessary easements to allow CVEC to provide service to each individual lot in the subdivision. These easements shall be dedicated and shown on the plot plan filed for record with the respective County, and CVEC shall be furnished a copy of such instrument.
- D. CVEC 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 electric facilities shall be limited to the primary lines required to

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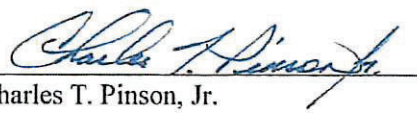
provide service to the subdivision and shall not include services and other facilities for the individual lots.

- E. 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. This amount will be paid prior to start of construction.
1. CVEC will refund to the developer an amount of money determined in No. 2 below for each customer provided service within the subdivision and remaining on CVEC's lines for a minimum of six (6) months.
  2. The developer will be refunded an amount equal to the amount allowed per customer under Section III less the actual cost of extending service to the individual lot.
  3. In no event will the total refunds to the developer be greater than the original amount of the advance.
  4. No refunds shall be made for customers connected more than five (5) years after the date of original construction. Any balance remaining after five (5) years shall be un-refundable and become a Contribution in Aid of Construction.
  5. Extensions within the subdivision shall be in accordance with CVEC's Extension Policy for providing service to individual customers.

**VIII. UNDERGROUND FACILITIES:**

- A. All required trenching, conduit and backfill will be provided by the applicant in accordance with CVEC and National Electric Safety Code specifications.
- B. When an applicant requests underground facilities where overhead facilities are existing, the applicant shall pay all actual costs incurred, including removal costs. No refunds shall be made on such Contribution in Aid of Contribution.

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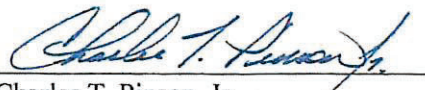
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IX. CONDITIONS OF SERVICE

- A. For three phase motors, fifty (50) horsepower or greater, reduced voltage starters or variable frequency drive (VFD) equipment shall be installed by the consumer to limit voltage flicker on the CVEC system to three percent (3%) or less. The same requirement may be applied to single phase motors as directed by CVEC based on the size and location of the motor. Such installations for all motors are subject to approval of CVEC.
- B. Harmonics introduced onto the electric system by VFD equipment shall be limited to those defined in IEEE 519 (latest revision). In the event a consumer's equipment causes flicker in excess of three percent (3%) or harmonics in excess of IEEE 519 limits, the consumer shall resolve these issues in a timely manner and at the consumer's expense or be subject to disconnect.
- C. These Conditions of Service applies to all motors, including temporary installations.

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