

HENRY COUNTY REMC

POLICY MANUAL

DISTRIBUTION SYSTEM EXTENSION AID

POLICY 303

OBJECTIVE

- A. To enable distribution line extensions requested by consumer/contractors be made without causing undue financial risk to the members of Henry County REMC and to reduce cross-subsidization among members.
- B. To establish a fair and equitable application of construction-in-aid.

POLICY

- A. This policy applies to any single-phase new service under Rate 101 (50 kVa or less transformer).
- B. REMC will construct single-phase lines along public roads at no charge if the new service is permanent.
- C. In addition, Henry County REMC will extend up to \$2,000 of new primary and secondary line from the public right-of-way to the new service at no charge for a permanent service. Transformers of standard size and voltage shall not be included in work order estimates provided to the applicant. Any additional cost in excess of \$2,000 will be paid by the member prior to starting construction.
- D. Member must provide any required right-of-ways (see Policy 301).
- E. REMC reserves the right to select the appropriate size poles, lines, transformers, etc. to serve the needs of the member without voltage problems and to meet any applicable laws, codes and regulations.
- F. The estimate agreed upon by Henry County REMC and the applicant will reflect the amount of Contribution in Aide of Construction that is required to be paid in advance of scheduling the work, minus any applicable credits. While Henry County REMC will track and report actual costs of a project during and after construction, any differences between the estimated and actual costs will not be collected by Henry

County REMC except as otherwise required by this Policy 303. Additionally, any differences between the estimated and actual costs will not be refunded to the applicant by Henry County REMC except as otherwise required by this Policy 303.

- G. If the member changes the design of the project once it has been started, the cost of the project will be estimated again and the member will owe the difference. If the change results in a lower project cost, REMC will refund the difference. The new estimates will include the cost of any work already completed, as well as any costs to revise the work and redo or change any work that has been completed.
- H. If the REMC's design must be changed due to an oversight on the part of the REMC, the member will not have to pay the extra cost.
- I. If a member requests that a service be rebuilt or upgraded for any reason, REMC will consider if it can extend a credit toward the cost of the change. The following factors are among those to be considered:
 - 1. Will the change reduce REMC's maintenance cost, such as tree trimming?
 - 2. What is the age of the facility being removed? Credit might be extended if the facility is more than 25 years old.
 - 3. Does the facility use power steadily year-around?
 - 4. Is a less expensive alternative available, but the member has chosen this particular service design for his convenience?

The determination of the credit will be at the sole discretion of the REMC.

- J. If a line extension is to serve a structure or facility that the REMC deems non-permanent or transient in nature, the full cost of the extension, including line built under Paragraph A, must be paid prior to starting construction. The member may after 10 years of continuous, unbroken service ask for a refund as though the policy for permanent service had been applied.

RESPONSIBILITY

- A. It shall be the responsibility of the Operations Manager and the Line Superintendent to administer the policy.
- B. The General Manager is responsible for enforcement.

Reviewed, Renumbered and Approved Mar. 11, 2009

Revised May 13, 2009

Revised Dec. 10, 2010

Revised June 21, 2017