

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

Electric Line Extension Policy

Residential and Non-Demand General Service

A line extension, for purposes of this policy, shall include all incremental capital costs associated with connecting a new member to the delivery system, excluding the cost of a standard transformer, service line (the connection between the transformer and the meter), and meter.

(A) Extension to Single Service

- (1) Choctawhatchee Electric Cooperative, Inc. in extending service to a permanent residential or business member that will be served pursuant to its Residential Rate RS or General Service Non-Demand Rate GS shall charge a contribution in aid of construction ("CIAC") on the cost of providing service in excess of \$850.00.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$850.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(B) Electric Extension to a Development

- (1) When an electric extension to a development is requested prior to actual construction or occupation of the project, CHELCO will charge a CIAC as follows:

SEVENTH REVISED SHEET NO. 5.2
CANCELLING SIXTH REVISED SHEET NO. 5.2

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.1)

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction for the development
- Developer will be eligible for a refund of \$850.00 per lot following permanent service for up to five years from the date of the signed subdivision agreement.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(2) All line extension contracts and agreements between CHELCO and a developer, existing as of the effective date of this policy, will remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.

(C) **Extension to a Condominium Building**

When an electric extension to a Condominium is requested, CHELCO will charge a CIAC as follows:

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$850.00 per unit following permanent service for up to five years from the date the meter template form is signed.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(D) **Extension to an Apartment Building**

Issued by: Steve Rhodes
Chief Executive Officer

Effective: September 1, 2018

SIXTH REVISED SHEET NO. 5.3
CANCELLING FIFTH REVISED SHEET NO. 5.3

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(Continued from Sheet No. 5.2)

When an electric extension to an Apartment building is requested, CHELCO will charge a CIAC as follows:

- Collect an upfront design review fee of \$750
 - \$750 covers maximum of 16 hours of work
 - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$850.00 per unit, for up to five years from the date the meter template form is signed, when the developer provides proof of a one year signed lease agreement for each unit to CHELCO. Developer is only eligible for the refund one time per unit.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(E) **Extension to Other Structures**

- (1) When service is extended to other structures (which includes, but is not limited to, electric fences, RV hook-ups, water pumps, sheds, hunting camps, out buildings, and fish camps), the applicant will make a CIAC equal to the total installed cost of extending service.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$850.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

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(Continued from Sheet No. 5.3)

General Service Demand and Large Power

CHELCO, in extending service to a permanent member that will *not* be served pursuant to Residential Rate RS or General Service Non-Demand Rate GS shall charge a CIAC equal to the total installed cost of extending electric service to the customer. After the initial 30 months (2.5 years) of service, CHELCO shall perform a revenue test to determine what amount, if any, of the original contribution that will be refunded to the member. CHELCO shall refund to the member an amount equal to the member's actual net revenue during the initial 30 months of service, up to but not exceeding the member's original CIAC. The member's actual net revenue shall be determined by subtracting purchase power costs from the member's total bill before taxes for the first 30 months.

If the member requesting service has similar existing facilities in other locations that would allow CHELCO to accurately forecast the member's annual net revenue, CHELCO may not collect the full cost of the extension prior to the member receiving service. Instead CHELCO would perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than 2.5 times the member's estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than 2.5 times the member's estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member's CIAC shall be determined by subtracting from the cost of extending service, an amount equal to 2.5 times the member's estimated annual net revenue.

However, in the event that the full cost of extending service is not collected prior to the member taking service, CHELCO will, at the end of the initial 30 months of service, perform a revenue test to determine if a CIAC will be required from the member. If the initial cost of extending service to the member is less than the member's actual net revenue for the first 30 months, no additional CIAC is required from the member. If the cost of extending service to the member is greater than the member's actual net revenue for the first 30 months, an additional CIAC may be required from the member. The additional CIAC, if any, shall be determined by comparing the Contribution amount determined by applying 2.5 times the estimated net revenue when the member initially took service, and the contribution amount determined by examining the member's actual net revenue for the first 30 months of service. If the contribution amount determined from the member's actual net revenue

FOURTH REVISED SHEET NO. 5.5
CANCELLING THIRD REVISED SHEET NO. 5.5

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is greater than the contribution amount determined using the member's estimated net revenue the member shall make an additional CIAC equal to the difference in the contribution amount determined from the member's actual revenue and the contribution amount determined from the member's estimated revenue. In no case shall any of the member's initial contribution be refunded.

Relocation of Distribution System Facilities

A member-initiated service relocation is any change in the location of an existing service or facility requested by a member or land owner and shall result in a one-time cost or expense to make the change. A CHELCO-initiated service relocation is any change in the location of an existing service or facility that the Cooperative deems appropriate and necessary for reasons of decreased maintenance, increased reliability or worker and public safety. A CHELCO-initiated service relocation will be completed at no cost to the affected member(s).

A member request for a service relocation will be subject to a review by a CHELCO representative. If CHELCO deems the relocation has a material benefit for reasons of decreased maintenance, increased reliability or worker and public safety, the one-time cost of said relocation will be absorbed partially or in full by the Cooperative. Each situation will be judged on its own merits. If CHELCO deems that the relocation is for aesthetics, new construction, or other reasons that provide no benefit to other CHELCO members, the requesting member or land owner shall bear the relocation costs.

CHELCO representatives will attempt to obtain right-of-way easements required for the relocation. If CHELCO representatives cannot obtain the required easements, it will be the responsibility of the member or land owner to get the required recorded easement(s) to the satisfaction of CHELCO.

No Member credit shall be applicable to service or facility relocations.

Contribution In Aid of Construction ("CIAC")

All CIAC is normally collected in advance unless other security, such as a letter of credit, surety bond or like instrument, acceptable to CHELCO, is provided.