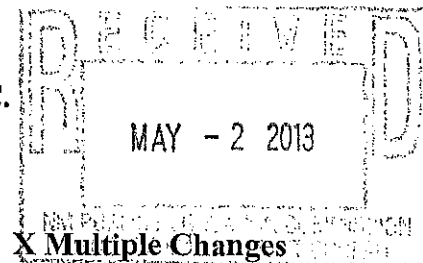


**COLUMBUS ELECTRIC COOPERATIVE, INC.  
SECOND REVISED RULE NO. 23  
CANCELLING FIRST REVISED RULE NO.23  
LINE AND SERVICE EXTENSIONS**



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The following rules and regulations will apply whenever an extension of Columbus Electric Cooperative's hereinafter referred to as "CEC" or "the Cooperative" electric distribution system is required to provide a consumer or group of consumers with electric service.

The line extension policy revenue credit provisions do not apply to consumers who will, in the Cooperative's opinion take service under CEC's Rate No 5 Large Power Service or Rate No 6 Industrial Service. In such situations for these consumer's line extensions, revenue credits and service agreements may be established on an individual basis.

Irrigation consumers requesting an extension where the motor(s) individually or in aggregate, or where the consumer has an irrigation service(s) under contract, and combined with a new application the horsepower exceeds 175HP, the Cooperative may establish revenue credit and service agreements on an individual basis.

When connecting consumers, the Cooperative on behalf of its other member/consumers, will not make an investment in transmission or distribution equipment that is considered excessive or uneconomical.

The Cooperative shall require all consumers requesting new construction and receiving a line extension credit to execute a contract which guarantees the annual kWh as provided in the construction formula. Consumer understands and agrees that actual kWh and revenues from the new line extension must meet or exceed the credits received by the consumer. It is also understood that the calculation of revenues hereunder shall not include cost pass-through items, e.g. franchise fees, DSC or FPPCA cost recovery. This contract shall be for a period of five (5) years commencing with the initial date on which service is available to the consumer.

**I. SERVICE TO RESIDENTIAL AND NONRESIDENTIAL APPLICANTS**

**A. Construction of service without charge to the consumer:**

1. In instances where the investment is not more than five (5) times the revenue credit, the facilities shall be constructed at no charge to the consumer.
2. Allowance of kWh usage shall be made by Cooperative personnel based on the Line Extension Revenue Credit Table approved in a separate Policy by the Cooperative's Board of Trustees, and said policy may be revised at the Board's discretion. The maximum allowable current credits are listed as follows:

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<b>REVENUE CREDIT TABLE</b>					
<b>REVENUE CREDIT FOR RESIDENTIAL SERVICE</b>					
	Monthly	1 yr kWh	Annual	5year	
	kWh	hours	Credit	Credit	
	560	6720	\$300.25	\$1,501.25	
<b>REVENUE CREDIT FOR STOCK WELLS</b>					
	Monthly	1 yr kWh	Annual	5year	
	kWh	Hours	Credit	Credit	
	200	2400	\$107.23	\$536.16	
<b>REVENUE CREDIT FOR SMALL COMMERCIAL SERVICE</b>					
KVA	Monthly	1 yr kWh	Annual	5year	
Required	kWh	Hours	Credit	Credit	
<15Kw	560	6720	\$272.03	\$1,360.13	
15-25kVA	1250	15000	\$607.20	\$3,036.00	
>25-50	2092	30000	\$1,214.40	\$6,072.00	
<b>REVENUE CREDIT FOR IRRIGATION SERVICE</b>					
		1 yr kWh	Annual	5year	Previous
Hp	kw	Hours	Credit	Credit	Credit
10.00	7.50	7,500	\$273.75	\$1,368.75	\$1,498.78
15.00	11.25	11,250	\$410.63	\$2,053.13	\$2,248.17
20.00	15.00	15,000	\$547.50	\$2,737.50	\$2,997.56
25.00	18.75	18,750	\$684.38	\$3,421.88	\$3,746.95
30.00	22.50	22,500	\$821.25	\$4,106.25	\$4,496.34
40.00	30.00	30,000	\$1,095.00	\$5,475.00	\$5,995.13
50.00	37.50	37,500	\$1,368.75	\$6,843.75	\$7,493.91
75.00	56.25	56,250	\$2,053.13	\$10,265.63	\$11,240.86
100.00	75.00	75,000	\$2,737.50	\$13,687.50	\$14,987.81
125.00	93.75	93,750	\$3,421.88	\$17,109.38	\$18,734.77
150.00	112.50	112,500	\$4,106.25	\$20,531.25	\$22,481.72
175.00	131.25	131,250	\$4,790.63	\$23,953.13	\$26,228.67

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3. The kWh allowance and corresponding revenue credit shall be based on the table included in I.A.(2). The cost of fuel and purchased power shall be determined by reference to the cost per kWh sold in the last rate filing of the Cooperative.
4. The entire understanding between the parties hereto relating to this Rule is set forth herein and in the Line and Service Extension Request and Individual Line Extension Agreement and there are no oral understandings between the parties. No amendments to this agreement are authorized unless reduced to writing and signed by authorized representatives of each party.

**LINE AND SERVICE EXTENSIONS**

**B. Construction of service with charge to the consumer:**

1. In instances where line extensions require an investment in excess of five (5) times the annual revenue credit as described in I.A.(2) the consumer(s) shall be required to pay the Cooperative a Contribution in Aid of Construction equal to the amount required for construction in excess of the investment supported by revenue, plus an amount for operations, maintenance, and general administrative expense equal to five percent (5%) per year for five (5) years of the amount not supported by revenue. Such advance shall be computed in accordance with the formula set forth in I.B.(4).
2. When service is requested from which a Contribution in Aid of Construction as described in I.B.(1) has been made and there is an active line extension agreement, the consumer for such service shall be required to assume a pro rata share of the original investment which gave rise to the Contribution in Aid of Construction. The amount assumed shall be the fraction which the cost attributable to additional customers bears to the cost of the original construction. A refund will be made to the original party paying such advance, provided the additional connection is made within five (5) years from the date of original agreement.

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3. Costs included in estimates:  
The total cost of material, labor, and overhead for the new facilities and cost of changing facilities shall be included when the investment is computed – excluding only meters and transformers.
4. The formula used to determine the amount, if any, of payment for line extension shall be as follows:
- (a) kWh Allowance based on table \_\_\_\_\_
  - (b) Annual Revenue Credit \_\_\_\_\_
  - (c) Annual Revenue Credit X 5 Years \_\_\_\_\_
  - (d) Estimated total investment \_\_\_\_\_
  - (e) Investment not supported by revenue \_\_\_\_\_
  - (f) Operation, Maintenance & Administrative costs (5% per year  
x 5 years investment not supported by  
Revenue) \_\_\_\_\_
  - (g) Advance payment required \_\_\_\_\_
5. The cost of the line extension as set forth in I.B.(4) must be agreed upon and paid by the a consumer within sixty (60) days after the Cooperative has provided a quotation of cost. This amount is to be paid in full prior to the commencement of construction.
6. Any unrefunded advance shall become a Contribution in Aid of Construction and shall become the property of the Cooperative.
7. In the event of a request for a line extension to a location where there are no reasonable signs of permanency or the consumer elects not to receive a revenue credit and enter into a Individual Line Extension Agreement the Cooperative will require the consumer to make an advance payment in accordance with the Formula set forth in I.B.(4) as a nonrefundable Contribution in Aid of Construction. The consumer may be eligible for a revenue credit if the consumer has established Permanent Service as defined below, prior to construction. These provisions shall be governed by the formula as set forth in I.B.(4).

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**PERMANENT SERVICE**

DEFINITION: "Permanent Service" as defined herein is construed to mean service to domestic, small and large commercial, rural and urban consumers when the use of service both as to amount and permanency can be reasonably assured. Consumer shall be financially able and responsible to fulfill all obligations to be specified by written agreement. Consumer shall also provide copies of the deeds to all properties involved in the line extension.

To be considered permanent, the electric meter shall supply electric power to one of the following:

All trailer and mobile homes placed on a permanent foundation with the wheels, axles, and tongue arrangements removed.

Water wells.

A building if it is fully enclosed and has a minimum of 400 square feet of floor space, with a permanent foundation and roof.

Any barn or shop not fully enclosed with over 800 square feet of floor space and with a permanent foundation affixed to the earth.

Campers, fifth wheels, recreational vehicles, cargo containers, semi trailers, yurts, tents, electric gates, entrances, carports, or other services deemed non-permanent by CEC will not be considered permanent structures.

8. All requests for line extension by permanent, seasonal, or temporary customers shall be administered according to the rules and regulations prescribed by either the New Mexico Public Regulation Commission or the Arizona Corporation Commission.

**II. DISTRIBUTION LINE EXTENSION ESTIMATES AND FEE SCHEDULES**

Upon request by a consumer for a line extension, CEC shall prepare, without charge, a preliminary sketch and rough non-binding estimate of the construction costs to be paid by the consumer.

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Consumer(s) requesting engineering design estimates for new electric service or service upgrades for single and/or multiple development line extensions will be charged the following non-refundable fees:

Type of Service	No. Service(s)	Fee
Residential	1 Service	\$100
Subdivision	2 or more lots	\$1,000 plus \$10 per lot in excess of 10 lots
Small Commercial =<50kva (OH & UG)	1 Service	\$100
Commercial >50-350kva (OH & UG)	1 Service	\$200 plus \$100 per service(s) in excess of 1
Commercial >350kva(OH & UG)	1 Service	\$750 plus \$100 per service(s) in excess of 1
Main Distribution (Primary Voltage)		\$0.22 per foot

A consumer for a line extension requesting CEC to prepare detailed plans, specifications, or cost estimates may be required to pay CEC an amount equal to the total estimated cost of preparation, if those estimated costs would exceed the application fee.

Upon submission of a written request for a line extension, CEC shall make available, within ninety (90) days after receipt of all necessary documentation and the design fee, such plans, specifications, or design estimates of the proposed line extension. The design fee shall be nonrefundable. Any charges to the consumer shall be provided in the cost estimate. Engineering cost estimates shall be valid for sixty (60) days from the date of issuance.

If the consumer or prospective consumer does not enter into a line extension agreement with CEC for electric service within this sixty (60) day period, then thereafter, a new request for engineering design services shall be initiated and subject to a fee assessment as set forth herein. Monies collected by CEC for the original engineering design estimates are non-refundable.

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To ascertain field conditions prior to finalizing a cost estimate, it will be necessary to survey the route in the field. One engineering survey with engineering design services will be provided by CEC. The cost of any additional engineering survey performed as the result of changes requested by the consumer after completion of the initial survey may, at the discretion of CEC, be billed to the consumer at CEC's current rates for labor, transportation, equipment, and materials.

Subdivisions providing CEC with approved final plans shall be provided with plans and/or estimates within ninety (90) days after receipt of the application and design fee.

Each and every request for an engineering estimate and each and every alteration to all initial requests for engineering services will be considered as an individual request and assessed a fee as set forth above.

All fees shall be paid to CEC by the consumer or prospective consumer prior to CEC engaging in engineering design and providing a cost estimate as requested by the consumer or prospective consumer.

Engineering design estimates shall be valid for sixty (60) days from the date of issuance. If the consumer or prospective consumer does not enter into a line extension agreement with CEC for service within this sixty (60) day period, then thereafter, a new request for engineering design services shall be initiated and subject to a fee assessment as set forth above.

### **III. RESPONSIBILITY OF THE CONSUMER**

#### **A. PROVIDE DEVELOPMENT PLANS, LEGAL DESCRIPTIONS, GRADE CERTIFICATIONS, AND SURVEY CORNERS**

The consumer shall provide accurate plans of the consumer's proposed development. Generally, final recorded plats will be required for subdivision estimates unless otherwise required by CEC. The consumer shall provide a valid written legal description along with a copy of the consumer's property deed. The consumer shall locate and mark any legal survey corners required by CEC. For commercial underground installations, a certification, signed by a licensed land surveyor or registered professional engineer, that the established grade is within six (6) inches of final grade, shall be required by CEC for the entire length and width of the proposed service route prior to staking. Normally, CEC field technicians will stake the route of the proposed line extension and related facilities to serve the consumer's development in relation to the consumer's legal

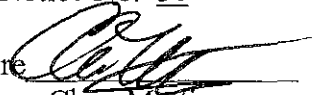
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property corners. CEC shall stake the line one time, based on the plans submitted by the consumer.

If mutually agreeable and at no charge to CEC, the consumer's surveyor may be used to stake the electric facilities when such action will help expedite the work. In that case, the consumer's surveyor will be supplied working plans and close oversight by CEC personnel. The cost of any additional engineering, field, or office work performed as the result of changes requested by the consumer after completion of an initial engineering staking shall be billed to the consumer at CEC's current rates for labor, transportation, equipment, and materials.

**B. UNDERGROUND SERVICE**

The consumer shall provide trenching, select back fill where required, backfilling, compaction and all concrete work to the applicable specifications of CEC and/or local codes for underground primary or secondary line extensions at the consumer's expense. Generally, the consumer is responsible for supplying and installing all conduits on underground projects. However, at its sole discretion, CEC may elect to furnish and install conduit or cable in conduit when CEC decides such action will be beneficial and expeditious to the project. CEC reserves the right to reject any request for underground extensions if its effect would be to create an irregular pattern of mixed construction modes or encumber the efficiency of future repair and maintenance operations.

When a consumer requests underground facilities where overhead facilities are existing, the consumer shall pay the cost of removal of the overhead facilities, less salvage value of material removed, plus the cost of the underground facilities. No refund shall be made on such Contribution in Aid of Construction.

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**IV. ELECTRIC FACILITIES FOR SUBDIVISIONS AND LAND DEVELOPMENTS**

A. When extensions of facilities are built to furnish service to a qualified subdivision or development project, the subdivider/developer, hereinafter referred to as the developer, shall be required to pay as a contribution in aid of construction an amount equal to the total cost of the facilities.

The developer is also responsible for the full cost of any line extensions from existing CEC facilities to a duly recorded subdivision, but located outside the subdivision boundary.

In order to qualify for said service, the developer must furnish to the Cooperative a copy of the plat map of such subdivision or development which has been approved by the county, township, or other authoritative body having jurisdiction over such subdivision or development.

The developer shall submit a complete set of improvement plans as required which have been approved by the appropriate planning and zoning commission and engineer.

The developer shall submit a copy of the recorded final plat. Any lesser version or approved plat can be submitted with special permission and at the sole discretion of CEC. A design of the final plat shall normally be provided in AutoCAD format or other approved electronics form for preliminary electrical design.

Copies of the plans of all utilities to be installed shall be submitted and coordinated to eliminate conflicts of location.

Approved Easements and Rights-of-Way for lines for the complete build-out of the subdivisions shall be provided. Easements and Rights-of-Way for locating special equipment away from Rights-of-Way and hazardous locations may also be required.

All terrain where underground cable and equipment is to be installed shall be within six inches of final grade prior to staking. Certification of established grades by a registered professional engineer or licensed land surveyor shall be required by CEC for the entire length and width of the proposed service route prior to construction.

B. Underground facilities requested by consumers or required by local, state regulations and/or CEC in subdivisions and mobile home parks with lots of one acre or less, recreational parks, airports, and other areas where overhead lines are unacceptable, the following provisions will apply.

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The developer shall be responsible for and provide accurately located survey markers and offset stakes to facilitate CEC's staking of electrical facility locations. If mutually agreeable and at no charge to CEC, the developer's surveyor may be used to stake the electric facilities when such action will help expedite the work. In that case, the developer's surveyor will be supplied working plans and close oversight by CEC personnel.

The developer or CEC, at the developer's expense, shall supply all necessary trenching, conduit, select backfill where requested, back filling, compaction, and concrete work, paving and re-paving, to CEC's specifications and applicable codes pursuant to the installation of the electrical equipment and lines. This will be accomplished in conjunction with close oversight and inspection by CEC personnel. The developer shall obtain all permits required for construction and trenching in public Easements or Rights-of-Way. All necessary occupancy permits shall be provided to CEC before permanent service is connected.

Installation of water, sewer lines, and storm drains prior to excavation of the trench for electric lines is advisable and may be required by CEC.

The developer shall keep all Easements and Rights-of Way and roads free of debris and obstacles during the construction period in order to avoid unnecessary delays in construction. Spoil piles from trenches shall be situated in such a manner as to allow safe passage by CEC equipment and personnel.

Any costs resulting from damages to CEC facilities caused by contractors and/or crews working for the developer, including changes in grade or dig-ins, shall be paid for by the developer. When excavating around CEC underground facilities, hand digging shall be utilized in accordance with New Mexico One-Call or Arizona Blue Stake laws. Once installed, any relocation of CEC facilities will be at the expense of the developer.

**V. IDLE SERVICE BILLING**

Persons with distribution lines installed to serve them or their property, that are not using the service and the lines are considered idle, shall be notified that they are required to pay an amount equal to the minimum monthly charge. After proper notice of the above, and provided the property owner refuses to pay, or for any reason does not pay the above, the Cooperative may remove such lines without further notice.

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**VI. RIGHTS-OF-WAY**

The consumer shall grant to CEC all necessary perpetual utility Easements and Rights-of-Way free and clear from encumbrances, applying to the consumer's property, to enable electric distribution system construction, maintenance and operation. In all instances where the extension of facilities is requested, Rights-Of-Way, Easements, etc., as approved by the Cooperative, shall be clearly shown on all plats of land including land divided for resale, subdivisions plats, plot plans, etc., prior to the time they are recorded, and the Cooperative shall be furnished a copy of such instrument.

Applicants for electric service under these rules and regulations will assist in procuring the necessary Easements and Right-Of-Way.

**VII. RESPONSIBILITY OF COOPERATIVE**

A. The Cooperative shall make every reasonable effort to complete construction of a line extension within sixty (60) days after the consumer signs the Individual Line Extension Agreement and has paid the required Contribution in Aid of construction, and after the Cooperative has acquired all applicable permits, rights-of-way, material and labor necessary for the line extension, and the Cooperative has completed all other applicable contractual obligations. Cooperative shall exercise due diligence and good faith in its efforts to obtain such permits, Easements and Rights-of-Way, materials, labor and contractual compliance. However, the Cooperative shall not be required to complete construction of the line extension within this time frame where force majeure conditions exist.

**VIII. CONSUMER BUILT LINE EXTENSIONS**

The classification and the following requirements apply to consumer built line extensions:

- A. Consumer(s) interested in pursuing this option must execute a contract that will establish the detailed terms and conditions for a specific project.
- B. Such system must be designed at the consumer's expense.
- C. The Cooperative will specify all materials and equipment to be used in the electrical system including, but not limited to: wire, cable, conduit, poles, fixtures, switchgear, relays, capacitors and insulators. The consumer shall be free to acquire said materials from approved manufacturers that meet the specifications with current RUS material specification and the National Electric Codes and Electrical Safety Codes, as verified by the Cooperative.

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All meters and associated metering transformers will be provided and installed by the Cooperative.

D. The consumer will hire only those contractors who are properly and currently qualified and licensed, in accordance with State and local law and regulation, to construct electrical distribution systems. The contractor will meet all the regulations and licensing standards set by the State of New Mexico Regulation and Licensing Department, including, but not limited to, Rules 14.6.6.9.4(h) NMAC and 14.6.6.10 NMAC, EL-1 and EE98 certification by the State of New Mexico. The Cooperative reserves the right to disapprove of any contractor selected by the consumer on the grounds that the contractor is not properly qualified or otherwise able to construct the line extension in accordance with the Cooperative's construction standards.

E. Construction practices and equipment must be in compliance with Cooperative construction standards as verified by the Cooperative.

F. Consumer shall provide to the Cooperative Easements and Rights-of-Way duly executed (including by both husband and wife, if applicable) and acknowledged and free from all liens and encumbrances in a Cooperative approved form which reflect the "as-built" configuration and location of the electric system. The consumer shall pay the Cooperative for its costs incurred to verify the Easement and Rights-of-Way.

G. The Cooperative will select a Construction Inspector who will visit the construction site. The Construction Inspector shall have the authority to accept, or reject, the work and materials of the consumer or contractor and shall certify to the cooperative such acceptance or rejection at the time of inspection. The function of the Construction Inspector shall be to verify compliance with design, materials, equipment and installation specifications of the Cooperative, RUS and the specified codes in this rule. Consumer must pay Cooperative's design and inspection costs before the Cooperative's services are rendered.

H. The Cooperative has no obligation to purchase an electrical system which is not accepted by the Cooperative's Construction Inspector. In addition, the Cooperative will not provide electric service to a system which is not accepted by the Cooperative's Construction Inspector.

If the Cooperative determines the extension was built in accordance with Cooperative's design, material, and specifications and RUS construction and applicable code standards, with proper Easements and Rights-of-Way assignable to Cooperative, and is free of all liens and encumbrances, then Cooperative will buy the system for \$1.00.

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The consumer is liable for the direct and indirect consequences of any defects or failures of the electrical system from consumer's design, specifications, construction, operation or maintenance of the system, including direct and consequential damages arising therefrom, excluding defects or failures arising from the Cooperative's negligent design, specifications, maintenance or operation of the system or the Cooperative's gross or willful misconduct in acts or omissions, if any, regarding these same activities pertaining to the system. The consumer and the Cooperative intend that each shall be responsible for their own acts or omissions and do not require indemnification from the other for any negligence, acts or omissions of the indemnities, so that NMSA 1978, §§ 56-7-1, if it is construed to apply, does not render this rule or provision void or unenforceable.

Commencing with the date of sale and the Cooperative's acceptance of duly executed (including by both husband and wife, if applicable) and acknowledged conveyances, assignments, and bills of sale from all owners/grantors, in a form acceptable to the Cooperative, of the Easements, Rights-of-Way and other interests and the electrical system to the Cooperative, the Cooperative, in its discretion, will assume ownership and maintenance and operating responsibility for the system. The Easements, Rights-of-Way, facilities and system from the owners/grantors must be free of all liens and encumbrances. The consumer shall provide validly executed and acknowledged releases of liens, including mechanics liens, from any contractor and subcontractor constructing or providing services on the line extension or system. Conveyances and assignments will not convey or assign to the Cooperative any liabilities or damages, including consequential damages, accruing or occurring prior to the conveyances or assignment. Such liabilities and damages will remain with the consumer.

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