

SIERRA ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE 15D  
CANCELLING ORIGINAL RULE NO. 15D

NM PUBLIC  
REGULATION  
COMMISSION

2008 JUL 29 AM 10:19

RESIDENTIAL SUBDIVISIONS, COMMERCIAL/INDUSTRIAL DEVELOPMENTS

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**DEFINITIONS:**

The following terms shall have the following meaning for the purposes of the policy.

1. Advance for Construction - a payment to the Cooperative for a line extension, made prior to the start of work on a project, and based on cost and is subject to refund.
2. Contribution in Aid of Construction - a payment to the Cooperative for a line extension, made prior to the start of work on a project and based on cost and is not subject to refund.
3. Line Extension - The addition to, or modification of, the Cooperative's electric distribution system, for the purpose of providing electric service.
4. Minimum Line Extension - The minimum line extension is designed solely to meet the needs of the consumer requesting service, and is consistent with Cooperative and industry design and safety standards.

**APPLICABILITY**

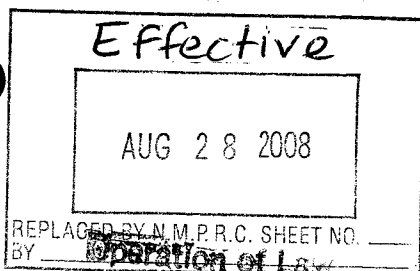
This policy is applicable to any individual, corporation or other identifiable organization ("Developer") engaged in the development, improvement or the construction of residential subdivisions or commercial and industrial developments where the required transformer capacity for any portion of the line extension is 225 kva or less. Line extensions requiring capacities above 225 kva require a separate written contract agreement subject to the New Mexico Public Regulation Commission rules and regulations. X

For the purpose of this policy, a residential subdivision is defined as a parcel of land within the Cooperative's service area, meeting the criteria for subdivisions as defined in the New Mexico Statutes Annotated, 1978, Section 47-6-2, New Mexico Subdivision Act and which has the approval of the governing County Commission on or after July 1, 1993. Commercial and industrial developments are apartments, condominiums, office buildings, retail developments, manufacturing facilities and all other facilities developed for the purpose of providing service or a product to the general public.

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Steve S. Gee  
General Manager



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**FEASIBILITY**

The Cooperative shall not be required to make an extension or provide facilities that would cause a financial hardship on the Cooperative and its existing consumers.

The Cooperative reserves the right to limit new or additional power service commensurate with the available unreserved capacity in production, transmission, distribution and substation facilities. In all cases, where such existing facilities are limited, the Cooperative will require written contract for a suitable initial contract period which will justify and support the necessary investment and reservation of capacity required to render such power service.

**GENERAL REQUIREMENTS**

In accordance with New Mexico Public Regulation Commission Rule No. 410, thirty (30) days after an applicant has complied with all the reasonable utility requirements, the Cooperative will provide to such customer a written estimate of the cost of the line extension. The Cooperative will complete construction of the line extension within sixty (60) days after the applicant signs the Cooperative's line extension agreement, pays the advance for construction, and after the Cooperative has secured all applicable permits, rights of way, materials and labor necessary for the line extension and the Cooperative has completed all necessary contractual obligations.

For the purposes of compliance with National Electrical Safety Codes, and general electric utility practices and in accordance with Sierra Electric By-Laws, Article 1, Section 1.08 , the consumer provides an easement to Sierra Electric Cooperative, Inc.

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| <b>Effective</b>                       |
| AUG 28 2008                            |
| REPLACED BY N.M.P.R.C. SHEET NO. _____ |
| BY <b>Operation of Law</b>             |

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A written application and contract will be required for extensions made under this policy. The contract will cover the period of service, character of service and details of the charges for the extension, including material, labor and all other expenses necessary for the service extension.

**POLICY**

The developer will be required to pay the total cost of the basic electric system required to serve the subdivision or land development. This basic system shall consist of all parts of the electric system - except for transformers, service drops, and meters, which will be provided and owned by the Cooperative, as needed, under the applicable extension policy.

**METHOD OF PAYMENT**

The developer, prior to the start of construction, shall pay an Advance for Construction for the total construction costs. When the project is finished and the Cooperative's accounting is closed (generally within 90 days), the Cooperative will adjust the consumer's advance payment to the actual cost and any difference will be either refunded or billed as the case may be.

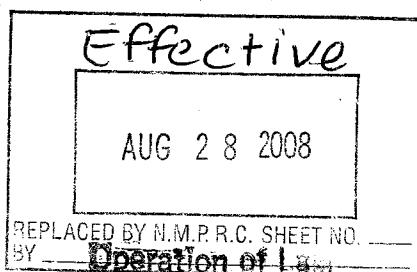
**SYSTEM DESIGN**

The Cooperative will design the system in accordance with applicable REA standards and other rules and regulations applied to the Cooperative. The routing will be mutually agreeable to the Developer and the Cooperative. Under no conditions, will underground facilities be placed on ungraded property.

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**REFUND OF LINE EXTENSION COSTS**

It is recognized that, generally, the cost of utilities are included in the selling price of the development. However, to encourage development, the Cooperative will allow refunds on line extension costs incurred by Developers meeting the Applicability requirements of this Rule. This refund policy will not exceed five (5) years from the completion of the project. The date of completion is the date of the Cooperative's final accounting. X

The refund will be computed as follows: The adjusted Advance for Construction will be subject to refund, on an annual basis, without interest, during a 5 year period beginning with the date the line extension is completed. Refunds will be based on 40% of revenue, less cost of power, received from the line extension. The cost of power shall be that which is shown on the year end REA Form 7 report. In no case will the total refunds exceed the original, adjusted Advance for Construction.

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