

RULES AND REGULATIONS

25. DEPOSITS

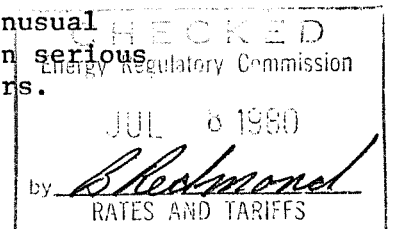
In accordance with Energy Regulatory Commission 807 KAR 50:015 Section 7 - (T)
Deposits, Cumberland Valley Rural Electric Cooperative Corporation has
adopted the following Policy:

1. A deposit or suitable guarantee approximately equal to two times the average monthly bill may be required of any member before service is supplied if the Cooperative deems it necessary to insure payment for the service it will render. The Cooperative may at its own option return the deposit after six (6) months. Upon termination of service, deposit may be applied against unpaid bills of the member, and, if any balance remains after such application is made, said balance to be refunded to the member.
2. Interest will be paid from the date of deposit on such deposit at the rate of 6% per annum by a credit in December of each year to the members account the amount due for interest. Upon termination of service interest will be prorated over twelve (12) months and any accumulated interest will be applied against unpaid bills of the member, and, if any balance remains after such application is made, said balance will be paid to the member.
3. The Cooperative will issue to every member from whom a deposit is received a certificate of deposit, showing the name of the customer, location of initial premises occupied, date and amount of the deposit.

F. CLASSIFICATION OF MEMBERS

26. PURPOSE OF CLASSIFICATION

Classification is a means for treating without discrimination, all members having similar characteristics in their use of service. Special classification will be avoided unless surrounding condition are so unusual that to apply one of the existing rates or rules would result in serious injustice to either the particular member or to all other members.



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General Manager

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27. UNDERGROUND EXTENSION

A. Purpose of Policy

The purpose of this policy is to formulate Cumberland Valley RECC requirements for underground electrical service, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation or use of underground facilities and to the public in general.

B. Applicability

This policy shall apply to all underground electrical supply facilities used in connection with electric service distribution in new residential subdivisions after the effective date of this policy.

C. Definitions

The following words and terms, when used in this policy, shall have the meaning indicated:

Applicant - the developer, builder or other person, partnership association, corporation or governmental agency applying for the installation of an underground electric distribution system.

Building - a structure enclosed within exterior walls or fire walls built, erected and frames of component structural parts and designed for less than five (5) family occupancy.

Multiple-Occupancy Building - a structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed to contain five (5) or more individual dwelling units.

Distribution System - electric service facilities consisting of primary and secondary conductors, transformers, and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

Subdivision - the tract of land which is divided into ten (10) or more lots for the construction of new residential buildings, or the land on which is constructed two (2) or more new multiple occupancy buildings.

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Effective Date: July 15, 1983

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

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27. UNDERGROUND EXTENSION (CON'T)

Trenching and Backfilling - opening and preparing the ditch for the installation of conductors including placing of raceways under roadways, driveways, or paved areas; providing a sand bedding below and above conductors when required; and backfill of trench to ground level.

D. Rights of Way and Easements

1. The Cooperative shall construct, own, operate and maintain distribution lines only along easements, public streets, roads, and highways which are by legal right accessible to the utility's equipment and which the utility has the legal right to occupy, and on the public lands and private property across which rights of way and easements satisfactory to the Cooperative are provided without cost or condemnation by the Cooperative.
2. Rights of Way and Easements suitable to the Cooperative for the underground distribution facilities must be furnished by the Applicant in reasonable time to meet service requirements. The Applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from the area, stake to show property lines and final grade, perform rough grading to a reasonable approximation of final grade, and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative obligating the Applicant and subsequent property owners to provide continuing access to the utility for operation, maintenance or replacement of its facilities, or substantial changes in grade or elevation thereof.

E. Installation of underground Distribution System Within New Subdivision

1. Where appropriate contractual arrangement have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgement, will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
2. All single-phase conductors installed by the utility shall be underground. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment and meter cabinets may be placed above ground.

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3. Multi-phase primary mains or feeders required within a subdivision to supply local distribution or to serve individual multi-phase loads may be overhead unless underground is required by governmental authority or chosen by the Applicant in either of which case the differential cost of underground shall be borne by the Applicant.
4. If the Applicant has complied with the requirements herein and has given the Cooperative not less than 120 days' written notice prior to the anticipated date of completion (i.e., ready for occupancy) of the first building in the subdivision, the Cooperative shall complete the installation 30 days prior to the estimated completion date. (Subject to weather and ground conditions and availability of materials and barring extraordinary or emergency circumstances beyond the reasonable control of the Cooperative.) However, nothing in this policy shall be interpreted to require the Cooperative to extend service to portions of the subdivisions not under active development.
5. A non-refundable payment shall be made by the Applicant equal to the difference between the cost of providing underground facilities and that of providing overhead facilities. The payment to be made by Applicant shall be determined from the total footage of single-phase primary, secondary, and service conductor to be installed at an average per foot cost differential in accordance with the Average Cost Differential filed herewith as Exhibit A, which Average Cost Differential shall be updated annually as required by order dated February 2, 1973 of the Public Service Commission of Kentucky in Administrative Case No. 146, (Three (3) wire secondary and service conductor runs shall be considered as one conductor, i.e., triplex.) The average cost differential per foot, as stated, is representative of Construction is soil free of rock, shale, or other impairments which increase cost of construction. Where rock, shale, or other impairments are anticipated or encountered in construction the actual increased cost of trenching and backfilling shall be borne by the Applicant.
6. The Applicant may be required to deposit the entire estimated cost of the extension. If this is done, the amount deposited in excess of the normal charge for the underground extensions as provided in paragraph 5 above, shall be refunded to the applicant over a ten-year period as provided in Public Service Commission Rule 807 KAR 5:041E Section 11.

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- 7. Both parties may agree that the Applicant may preform all necessary trenching and backfilling in accordance with the Cooperative's specifications. The Cooperative shall then credit the Applicant's cost in an amount equal to the Cooperative's normal cost for trenching and backfilling.
- 8. The Cooperative shall furnish, install, and maintain the service lateral to the Applicant's meter base, which normally will be at the corner of the building nearest the point to be served.
- 9. Plans for the location of all facilities to be installed shall be approved by the Cooperative and the Applicant prior to construction. Alterations in plans by the Applicant which require additional cost of installation or construction shall be at the sole expence of the Applicant.
- 10. The Cooperative shall not be obligated to install any facility within a subdivision until satisfactory arrangements for the payment of charges have been completed by the Applicant.
- 11. The charges specified in these rules are based on the promise that each Applicant will cooperate with the utility in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible and make satisfactory arrangements for the payment of the above charges prior to the installation of the facilities.
- 12. All electrical facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code, Cumberland Valley RECC's specifications, or other rules and regulations which may be applicable.
- 13. Service pedestals and methods of installation shall be approved by Cumberland Valley RECC prior to installation.
- 14. In unusual circumstances, when the application of these rules appears impracticable or unjust to either party, or discriminatory to other customers, the Cooperative or Applicant shall refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

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General Manager Led H. [Signature]

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15. Underground Cost Differential

Average Cost of Underground per foot	\$5.35	(I)
Average Cost of Overhead per foot	<u>2.12</u>	(I)
Average Cost Differential per foot	\$3.23	(I)

16. Rock Clause

An additional \$31.00 per linear trench foot shall be charged where extremely rocky conditions are encountered, such conditions being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more which cannot be removed using ordinary excavation equipment. (I)

28. SERVICE TO MOBILE HOMES

The Cooperative will furnish service to house trailers or mobile homes under the following conditions:

A. The Applicant will pay to the Corporation a membership fee of \$25.00, a customer advance for construction if required, and a deposit equal to 2/12ths Average Annual Billing in consideration of which the Cooperative will build an electric line to serve the mobile home. Following is the policy regarding customer advance for construction.

1. All extensions of up to 150 feet from the nearest facility shall be made without charge.
2. Extensions greater than 150 feet from the nearest facility and up to 300 feet shall be made provided the customer shall pay the utility a customer advance for construction of fifty dollars (\$50.00) in addition to any other charges required by the Utility for all customers. This advance shall be refunded at the end of one (1) year if the service to the mobile home continues for that length of time.
3. For extensions greater than 300 feet and less than 1,000 feet from the nearest facility, the Utility may charge an advance equal to the reasonable cost incurred by it for the portion of the service beyond 300 feet plus fifty dollars (50.00). Beyond 1,000 feet the extension policies set forth in 807 KAR 5:041E, Section 11 apply.
 - (a) This advance shall be refunded to the customer over a four (4) year period in equal amounts for each year the service is continued.

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28. SERVICE TO MOBILE HOMES (CON't)

- (b) If the service is discontinued for a period of sixty (60) days, or should the mobile home be removed and another not take its place within sixty (60) days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
- (c) No refunds shall be made to any customer who did not make the advance originally.

B. The fees and advances paid will not give the Applicant any right, title or interest in any of the equipment.

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