

COPPER VALLEY ELECTRIC ASSOCIATION, INC.

CONSTRUCTION INFORMATION

Applicant Aware of Options

The Applicant is aware of the following options for constructing a line extension: (1) Cooperative design and build, (2) Applicant design and build. Of these two options, the Applicant has chosen to have the Cooperative design and build the line extension.

Construction Preparation

Construction may not commence until the terrain where the electrical facilities are to be located has been brought to final subgrade by the Applicant. The Applicant must provide “as-built” drawings showing the location of telephone, water, sewer, cable television, and other existing facilities in the easements and public rights of way. A site description will be provided indicating parking, fences, and other like facilities to be installed in the future. The load and voltage information will be provided to the Cooperative by the Applicant.

Construction in Accordance with Specifications

The Applicant agrees to clear trees and brush from the right of way. The Applicant must complete installation and required inspections of service entrance equipment according to design drawings provided by the Cooperative. The Cooperative will not begin construction until the consumer has provided written authorization for construction to begin.

Standard Offering

The Applicant shall receive up to \$5,000 as a Standard Offering to extend a permanent service, as explained in Sections 7.2 and 7.10 of the Tariff, for each single service location within the Cooperative’s authorized service territory. Any amount over the standard offering must be paid by the Applicant as a nonrefundable contribution-in-aid-of-construction or as a potentially refundable advance-in-aid-of-construction.

When the Cooperative designs and constructs a permanent line extension from its facilities to Applicant’s service location, the Cooperative will provide financial assistance, as provided in Section 7.10 of the Tariff, to the Applicant requesting a *single residential line extension* in excess of \$5,000, provided credit worthiness is established to the satisfaction of the Cooperative and subject to the terms and conditions of the Cooperative’s financing policies.

Cost Estimates

One cost estimate will be provided at no cost to the Applicant. If a site visit is required for specifics, a \$250 fee will be charged. Cost estimates are valid for a period of 180 days. Additional cost estimates may be billed to the Applicant. Fees received for cost estimates will be considered part of the advance-in-aid-of-construction.

If construction does not commence within one year of receipt of the fee, the fee will become property of the Cooperative. If a project is canceled within one year, the amount refunded shall be limited to the amount of the fee, less costs incurred by the Cooperative. Fees paid will not be interest bearing.

Cost of Construction

The Applicant agrees to pay for the cost of the line extension, less the Standard Offering, as provided by this Agreement and the Tariff. The Applicant understands that the price stated in the estimate for the work to be performed may vary as a result of changes in circumstances concerning the work to be performed. Specific circumstances will determine whether the payment over the Standard Offering will be a nonrefundable contribution-in-aid-of-construction or a potentially refundable advance-in-aid-of-construction.

An Applicant is not responsible for the cost of a system upgrade that is incidentally the result of the Applicant's addition to the system, provided the Applicant has a load requirement comparable to those in the area being served by the facilities requiring the upgrade.

Unless caused solely by the unreasonable delay of the Cooperative, the Applicant shall reimburse the Cooperative for any additional costs and expenses incurred if construction begins after freeze up. All costs associated with winter construction, paid by Applicant to the Cooperative, will be considered nonrefundable to the Applicant.

Any changes in the scope of construction caused or requested by the Applicant may be charged as a nonrefundable contribution-in-aid-of-construction.

Cost Sharing

Line extensions are subject to cost sharing by future applicants for a five-year period following completion of construction. If a new applicant wants service from a previously constructed line extension within five years of the date of the earlier line extension, the new applicant must assist in payment of that earlier line extension.

At least annually, advances will be refunded to consumers due such refunds because of new consumers being added to the line extension.

All advances-in-aid-of-construction made by Applicant which are not eligible for a refund within the five-year time period will become the property of the Cooperative. Upon the expiration of five years after construction of the line extension, all un-refunded advances-in-aid-of-construction made by Applicant become nonrefundable.