

PUBLIC UTILITY DISTRICT 3
OF MASON COUNTY, WASHINGTON
ELECTRIC – LINE EXTENSION POLICY

SERVICE EXTENSION POLICY - Schedule No. 5

It is the policy of the Public Utility District No. 3 of Mason County to provide electric service and service extensions to all customers within its service area, provided that such service extensions are feasible, economically justifiable, environmentally sound (or desirable), and comply with the applicable service extension conditions.

It is further recognized that each service extension is unique. Accordingly, each extension may be subject to District review with consideration of those special conditions. Moreover, the District may, when conditions warrant, build service into new territories and specify by resolution factors that will apply, over a given period of time, to new service extensions off of the new feeder service to the new territory.

A. DEFINITIONS

- (1) APPLICATION FEE shall be defined as the basic fee all applicants for new services must pay prior to the District preparing an estimate and installing facilities. The Application Fee will be applied to the cost of the project that is carried forward to completion. If the project does not go forward, the Application Fee will cover the cost for filing the application for service and preparing the estimate for installation of facilities. The Application Fee is not refundable in any amount. *(See Fee Schedule A for Engineering Application Fee amounts.)*
- (2) DEDICATED EASEMENTS shall be defined as feasible corridors that have been legally dedicated to utility services along a private road or other acceptable route.
- (3) EXCESS SERVICE shall be defined as new or additional facilities requested by a customer which are greater than needed to serve the present load requirements.
- (4) EXTENSION PAYMENT shall be defined as the costs of the project that the applicant shall be required to pay. The payment shall be the total cost of the project.
- (5) INDETERMINATE LOAD shall be defined as requests for District facilities to serve unknown loads such as speculative ventures, property which is for resale but lacks permanent facilities, etc.
- (6) LATECOMER SHARING PAYMENTS ("Sharing") shall be defined as payments that new customers must pay for the right of connecting to a portion of a previous extension. These payments are in addition to the Extension Payment.
- (7) PERMANENT RESIDENCE shall be defined as any structure designed for human habitation, meeting applicable building codes and for which a building permit has been issued for residential occupancy. Any other structures not meeting these requirements are considered non-permanent.

- (8) PUBLIC RIGHTS-OF-WAY shall be defined as franchised county, city, or state roadways, highways or streets within the right-of-way and with established adjacent utility corridors which are maintained by public agencies.
- (9) SPECIAL CIRCUMSTANCES CONTRACT shall be defined as a written agreement under which an applicant agrees to pay all costs of the project with a down payment and follow-up payments (plus interest set by the District Commission) and/or a guaranteed flow of revenues to the District. Such contracts may also be allowed for special conditions that an applicant may agree to that would be beneficial to the District. The conditions may include installation of special equipment that will affect end-use efficiency, removal of trees that threaten District facilities, easement concessions, etc. Contracts shall be considered on a limited basis or as a last option alternative and must be approved by the Commission.
- (10) SYSTEM CAPACITY FEE shall be defined as the cost of the project that the applicant shall be required to pay which is designated for the capital costs associated with the construction and maintenance of substation infrastructure and related distribution facilities. These payments are in addition to the extension payment. (*See Fee Schedule A for System Capacity Fee amounts.*)

B. GENERAL CONDITIONS

- (1) The applicants for new electric service extensions must own, have a contract to purchase, or have a satisfactory lease to the property or premises before the District will provide the service extensions.
- (2) Service extension applicants shall be responsible for furnishing to the District easements for construction, operation, and maintenance of the extension facilities including tree trimming rights.
- (3) All permits, franchises, state, federal and local requirements must be obtained and/or satisfied prior to construction of any extension. (Refer to section C. (1) (d) of this policy.)
- (4) Costs that exceed the standard designs (Excess Service) shall also be borne by the applicant.
- (5) Added load will be considered as new load under Section C and Section F except that the Application Fee will not apply.
- (6) The District will determine the most feasible route and application of permanent extensions to new customers. More costly alternative routes will be considered Excess Service.
- (7) The Application Fee will cover the first estimate and one revision that are created by the applicant. Each additional revision will require a Revision Fee. The total amount of Application Fees received (including any revision fees) will be applied to the cost of the project that is carried forward to completion. However, in the event the project costs less than the amount received as Application Fee, no amount of the Application Fee or Revision Fee is refundable. (See Fee Schedule A for Engineering Application and Revision Fee amounts.)
- (8) Refunds of Extension Payments or adjustments to contracts may be made if the actual cost of the project is significantly less than the estimated cost. Any extra cost created by customer delays or alterations after construction has commenced will be borne by the customer.

- (9) All customer-furnished equipment, installations and work shall comply with the District's standards and testing.
- (10) The applicant may do his/her own construction or use his/her own private contractor for constructing the service extension (except for terminations) after it is designed by District engineers.

Equipment to be installed must be bought from the District, at the District's replacement price plus handling costs, or meet the District's specifications and be installed using the District's standards. A state inspection will be required of the installation unless a District inspector is on site while installation of equipment takes place. For a District inspection, the customer will pay the cost of inspection to the District.

The extension will be deeded to the District upon satisfactorily passing inspection by District personnel to guarantee the extension meets required standards. Along with a deed, the customer must sign a warranty on equipment repairs for a one-year period. If the customer retains ownership of the equipment, they will pay for the installation of primary metering and be responsible for all repairs.

If work is to be performed under a contract the customer has with another person or construction business, such contractor must comply with chapter 39.12RCW, prevailing wages.

- (11) The District reserves the right to be the final arbiter in all decisions regarding this policy.

C. EXTENSIONS TO ALL APPLICANTS

- (1) The District will extend service for Permanent Load to applicants under the following conditions:
 - (a) The applicant pays the Application Fee. (*See Fee Schedule A for Engineering Application Fee amounts.*)
 - (b) Once the total estimated cost of the project has been determined, the applicant must make the required service Extension Payment, to include the System Capacity Fee. This must be done prior to commencement of the project.
 - (c) If the extension is to be underground, the applicant shall be responsible for providing all underground secondary wire, trenching, backfilling, clearing, conduit, and restoration on private property, and in most instances, in public rights-of-way. Under these circumstances, the District will obtain the necessary right-of-way permits and help coordinate the above referenced work with the applicant. However, the applicant is responsible for all location of underground facilities in instances where the applicant is paying for underground facilities. In instances where the District furnishes the underground facilities in Public Rights-of-Way, coordination with the applicant will be made to use common contractors and equipment where practical. (See Illustration No. 9-3 for clearance information)
 - (d) Section E (Sharing) and Section F (System Capacity Fee) of this policy does apply to section C.(1).

D. SERVICE EXTENSION FOR LAND DEVELOPERS, LAND DEVELOPMENTS, SPECULATIVE DEVELOPMENTS AND SUBDIVISIONS

- (1) This section of the service extension policy applies to all developments governed by Mason County ordinances regarding plats, short plats, long plats, short subdivisions, mobile and trailer parks, and all other developments where three or more contiguous lots, tracts, plots, or parcels of land have been sold or are offered for sale by a Person.
- (2) The developer or owner shall pay to the District, prior to construction, the entire estimated costs of the distribution facilities (backbone system) that are necessary to make electric service available to all the lots, tracts, plots, or parcels of land within the development.
- (3) The District shall engineer the service project for the complete serving of all lots within the entire development, and shall install partial facilities to serve only immediate needs or requests after the entire development has been designed.
- (4) The individual lot owners shall apply to the District for the installation of the transformer, private extension of primary across their particular parcel and service drop. Underground service conductor shall be the responsibility of the individual lot owners.
- (5) Section E of this policy (Sharing) does not apply to this section (D) with the exception of D. (4).
- (6) A Special Circumstances Contract may be utilized at the discretion of the District, for applications submitted within the District's service territory. (Section F of this policy (System Capacity Fee) may apply.
- (7) Applicants for service under this section shall not restrict extensions to adjacent properties by refusing property easements.

E. SHARING

Customers who, pursuant to this policy, have made a service Extension Payment may receive benefit by the subsequent connection of additional customers but only on that portion of the primary extension paid for by the payment under the following terms:

- (1) The Sharing shall be on any Extension Payment which in total exceeds \$300 for that portion of the extension not on applicant's private property.
- (2) The Sharing option is available to all applicants from the time service is available under the following conditions.
 - (a) If that portion of the Extension Payment under E. (1) is \$2,000.00, then the sharing option will be available for a five (5) year period. If no sharing occurs during that five-year period, then the sharing option will continue for two (2) additional years or until there has been one (1) sharing in the final two (2) year period.
 - (b) If that portion of the Extension Payment under E. (1) is \$2,000.00 to less than \$5,000.00, the sharing option will be available for a five (5) year period. If no sharing has occurred during that

five (5) year period, the sharing option will continue for five (5) additional years or until there has been one (1) sharing in that final five (5) year period.

(c) For Extension Payments \$5,000.00 or greater, the sharing option will be available for a ten (10) year period. If no sharing has occurred during that ten (10) year period, the sharing option will continue for five (5) additional years or until there has been one (1) sharing in that final five (5) year period.

- (3) Shares shall be computed based on footage of the portion of the line (built by Extension Payment money) to be used by the additional customer(s). The District will compute the share(s) amount and will refund it to the prior customer(s) who paid. Refunds to any one customer will not exceed the original payment minus \$150. No portion of the Application Fee used toward the Extension Payment will be refundable or used in computing the amount of sharing available.

F. SYSTEM CAPACITY FEE

Customers who connect a new load or increase load on an existing service are required to pay a System Capacity Fee which is designated for capital costs associated with the construction and maintenance of substation infrastructure and related distribution facilities. The fee is proportionate to a customer's impact on the system. Fees are calculated using the ampacity rating of the meter base, and/or service entrance rating. Public schools (K-12) are exempt from the System Capacity Fee. (*See Fee Schedule A for System Capacity Fee amounts.*)