

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

I. GENERAL

The Association will provide electric service to all qualified applicants. These rules and regulations set forth the general service connection and distribution system line extension requirements of the Association, in all territories served by the Association, in a manner which fairly allocates the cost of system growth and minimizes the effect of growth upon rates.

II. DEFINITIONS

Applicant: Any person or other legal entity applying to the Association for a Conversion, New Service, Relocation of a portion of the Existing System or for extension of the Existing System.

Application for Service: The agreement between the Association and the Applicant, which is required for a new or existing service. Application for a Project will be made on forms specified by the Association and will include all necessary information requested.

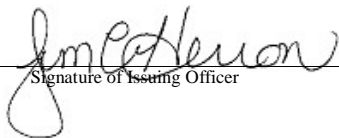
Association: Mountain View Electric Association, Inc.

Construction Standards: Standards required by the Association for construction of electric facilities, or any more stringent standards required by the Rural Utilities Service or any applicable governing agency; but in no case will such standards be less stringent than the latest available edition of the National Electrical Safety Code.

Conversion: A change in the voltage, number of phases or phase configuration, or a change of overhead equipment to underground, on an existing service or a portion of the Association's Existing System.

Cost Letter: The agreement, between the Association and the Applicant, which sets forth the estimated contribution toward cost of construction, which is required before construction is commenced on a Project.

Developer: An individual, group of individuals or entity making application for Subdivision Service Extension or System Backbone Extension.



Signature of Issuing Officer
General Manager

Title

Effective Date January 1, 2005

Decision of
Authority No. _____

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

Easements: Any Easements or rights-of-way required by the Association in order to construct or maintain a Project.

All Easements and rights-of-way must be in locations and of such dimensions acceptable to the Association in its sole discretion, must be on forms provided by or acceptable to the Association and executed and acknowledged by the record owners of the underlying property. Required Easements will include easements which will permit a given facility to be used for the benefit of other consumers.

Existing System: The electrical transmission and distribution system of the Association as it exists at the time an application is made.

Minimum Facility: The lowest capacity facility acceptable to the Association for a particular service or extension making use of designs, materials and construction methods approved by and normally available to the Association.

New Service: Electric service at a location not previously connected to the Existing System.

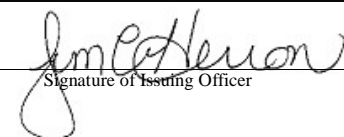
Permanent Service: Service to any consumer when the use of service, both as to amount and as to permanency, in the sole discretion of the Association, can be reasonably assured.

Point of Delivery: That point on the system, determined in the sole discretion of the Association, where the facilities owned, operated and maintained by the Association connect to facilities owned, operated and maintained by the consumer. The Association will own, operate and maintain all specified metering equipment, wherever located.

Project: Any New Service, extension to the Existing System, Relocation or Conversion requested by an Applicant.

Relocation: Any change in location of overhead or underground distribution lines or equipment due to the request of a consumer, Developer or government entity.

Service Upgrade: An improvement in capacity on an existing service due to the consumer increasing load demand. Conversions are not considered a service upgrade even if caused by a consumer increasing load demand.



Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager

Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

Shared Cost: The cost of a portion of an existing extension to be used in common with a new Applicant.

Shared Cost Refund: If eligible, a refund of a portion of shared costs, pursuant to Section IV.A of this policy.

Subdivision Service Extension: Extension of the Existing System, including transformers and metering equipment, for the purpose of, and designed for, serving multiple consumers within a planned development.

System Backbone Extension: Extension of the Existing System for the purpose of, and designed for, serving multiple consumers within a planned development where the permanent location of transformers and metering equipment cannot be determined by the Association at the time of original design.

Temporary Service: Any service of a temporary nature, without regard to the duration of service, where in the sole discretion of the Association the permanency of service cannot be reasonably assured, including any service within an incorporated municipality, which the Association does not serve under franchise.

III. LINE EXTENSIONS

- A. An Applicant who requests a Project will pay the estimated cost of that Project, less any applicable Construction Allowance, as set forth herein and in Section IV.
- B. All extensions and system additions up to the Point of Delivery, including related Easements, will remain the property of the Association. All specified metering equipment wherever located, will remain the property of the Association.
- C. Application for a Project will be made on forms specified by the Association, will include all necessary information requested on the form or by Association personnel and will be accompanied by an engineering fee of \$200.00, unless it is determined by the Association that the engineering fee is inadequate, in which case an additional amount will be required. If Applicant cancels or fails to complete the extension, Applicant will forfeit the engineering fee.


Signature of Issuing Officer

Effective Date January 1, 2005

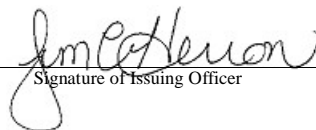
Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

- D. The Association will provide a good faith estimate of the costs for construction of the extension within a reasonable time after receipt of a completed application and the engineering fee. This estimate will be based on costs determined by the Association, and will include if applicable: any Construction Allowance, any Shared Cost Refund due another Applicant, and, if necessary, an estimate of increased costs due to adverse conditions. In the event the increased costs collected due to adverse conditions are greater than the actual costs, the Association will refund the difference after final costs have been determined. If at any time it is determined by the Association that the contribution is inadequate to fund the construction of the Project due to adverse or changed conditions, the Association will amend the estimate.
- E. The Association's dated Cost Letter will become void 90 days after the date of the written estimate. If a Cost Letter is not fully executed before that time, it will be necessary, at the Association's sole discretion, to either extend said estimate or make a new estimate incorporating the then terms of the Association's Extension policy and current construction costs.
- F. It is reasonable for the Association to expect the pre-construction requirements to be completed in a timely manner. If not completed within 90 days from receipt of payment, it will be necessary, at the Association's sole discretion, to either extend the estimate or make a new estimate incorporating the then current terms of the Association's Extension policy and current construction costs.
- G. All construction, including excavations, up to the Point of Delivery, will be constructed by the Association or its contractor, using construction methods consistent with good engineering and maintenance practices, dependable service, and conforming to the current version of the National Electrical Safety Code, local regulations and Association Construction Standards. Any additional costs for the convenience of the Applicant will be borne by the Applicant.
- H. Should it be determined by the Association that a Project in excess of the Minimum Facility should be constructed, a portion of the Project cost may, in the sole discretion of the Association, be borne by the Association or third parties. The estimate will not include the cost of capacity in excess of the Minimum Facility required to meet the needs of the Applicant unless it is agreed by the Applicant and the Association that the estimate will include additional costs.


Signature of Issuing Officer

Effective Date January 1, 2005

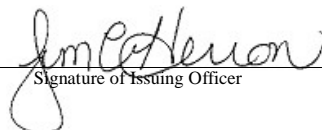
Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

- I. At the sole discretion of the Association, overhead facilities will not be available in those areas where the Association has installed, or is required by law, ordinance, recorded covenant, or Association Policy to install underground facilities.
- J. It is the Applicant's responsibility to provide all required Easements prior to scheduling of construction.
- K. When the Applicant requires service capacity in excess of 1500 KVA, or in other situations where the Association's existing consumers or its investment in the Existing System would be adversely affected by the Project, the Association may require separate contract agreements which may require the approval of the Association's lenders, setting forth construction deposits, rates, refunds and other conditions of service.
- L. Applicants requesting a Service Upgrade within two years of the completion of a Project or a prior Service Upgrade will be charged the total estimated construction cost. Service Upgrades requested more than two years after completion of a Project or prior Service Upgrade may, if deemed warranted in the sole discretion of the Association, be paid for by the Association.
- M. Any fees, deposits or contributions to be refunded to the Applicant under this policy will first be reduced and set-off by any amounts due the Association, as shown on the records of the Association, regardless of the purpose for which such amounts are due or the time or times such amounts became due and owing.
- N. Due to maintenance and safety concerns, the Association will not allow other cables, pipes or conduits to be placed in the Association's trench.
- O. At such time as construction is completed and service is available, it is reasonable for the Association to expect revenues from the completed construction. If after 30 days, the Applicant has not requested the installation of a meter, the Association will bill the Applicant the monthly minimum according to the rate tariff for the class of service. This paragraph shall not apply to extensions where the Contribution Toward Cost of Construction is paid on or after January 1, 2007.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

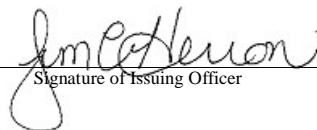
IV. CONTRIBUTIONS TOWARD COST OF CONSTRUCTION

Prior to commencement of construction of any Project, the Applicant will deposit with the Association, as a Contribution Toward the Cost of Construction, the estimated cost of the Project. The contribution will bear no interest and will be used by the Association to construct the Project. If at any time it is determined by the Association that the contribution is inadequate to fund the construction of the Project, due to adverse or changed conditions, an additional amount will be required by the Association.

If the additional amount is not paid, the Association may stop construction and /or withhold meter sets.

A. Permanent Service: An Applicant for a Project will pay as a Contribution Toward the Cost of Construction the total construction cost of the Minimum Facilities, as set forth in the Association's good faith estimate, necessary to provide the service less the Construction Allowance set forth below, plus the cost of any additional capacity agreed to by the Applicant and the Association.

1. An Applicant for extension to an individual New Service may be eligible for Shared Cost Refunds if the total cost of construction of the Applicant's extension, less any increased costs due to adverse or changed conditions, exceeds \$5,000.00.
2. No Shared Cost Refunds will be made for the period following termination or transfer of the Applicant's account served by the extension; provided, that if the Applicant provides proof, satisfactory to the Association, that the transfer is due to lease of the property or other change of name on the account not due to sale of the property, any applicable refunds will continue to be made.
3. For individual New Service extensions for which the Contribution Toward Cost of Construction is paid prior to January 1, 2007, the Applicant may choose to receive a Construction Allowance in lieu of being eligible to receive Shared Cost Refunds.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

4. Unless the Applicant chooses to be eligible for Shared Cost refunds, the Construction Allowance for extension to an individual New Service, for which the Contribution Toward Cost of Construction is paid prior to January 1, 2007, is \$1,045.00.
5. No Construction Allowance will be given for extensions for which the Contribution Toward Cost of Construction is paid on or after January 1, 2007.
6. If an extension qualifies for Shared Cost Refunds and the Contribution Toward the Cost of Construction is paid by another Applicant for a Permanent Service extension within six (6) years following the date of receipt of the Contribution for the qualifying extension, the unrefunded share of costs of that portion of the extension to be used in common that is attributable to any qualifying prior Applicant(s) will be divided pro rata among the new Applicant and all qualifying prior Applicants. The new Applicant will pay its pro-rata share as a portion of its Contribution; that pro-rata share is then divided by the number of qualifying prior Applicants, and the resultant fraction is refunded to each qualifying prior Applicant; provided that no Applicant will receive refunds that reduce the total cost of their extension below \$5,000.00.
7. In no event will a Construction Allowance or Shared Cost Refund be given for Relocations, Service Upgrades or Conversions.
8. A Construction Allowance will not act as a credit against added costs included in the estimate for adverse conditions, and all such costs must be deposited with the Association before construction begins.
9. If the estimated cost of the Project is less than the Construction Allowance plus the engineering fee, then the engineering fee will be refunded to the Applicant within a reasonable time; provided, that in no event will the refund exceed the difference between the estimated cost of the extension and the sum of the Construction Allowance and the engineering fee.
10. If the estimated cost of the Project is equal to or more than the Construction Allowance plus the engineering fee, then the engineering fee will be applied as a credit toward the Applicant's required Contribution Toward the Cost of Construction.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

B. Temporary Service: An Applicant for Temporary Service will pay as a Contribution Toward the Cost of Construction of the extension the total estimated construction costs plus estimated retirement costs of the Minimum Facilities necessary to provide the service.

C. Extensions to Subdivision Service:

In addition to the other applicable terms of these policies, the following will apply to any Subdivision Service Extension.

1. The Developer will provide to the Association a final plat of the subdivision, showing the location of existing, planned and/or platted Easements, lots, future filings, streets, alleys, buildings, utilities, well sites, large electrical loads, any underground installations or obstructions, any Easements for future line extensions and any additional information pertinent to design of the extension, as required by the Association.
2. The Developer will be charged, as a minimum, an engineering fee of \$200.00 plus \$25.00 per lot for each lot of the development. If it is determined by the Association that the engineering fee is inadequate, an additional amount will be required. The engineering fee will act as a credit toward the estimated cost of construction. If the Developer cancels or fails to complete the extension, the Developer will forfeit the engineering fee.
3. The layout, general design and capacity of the subdivision electrical system, including the system necessary for future phases or filings, will be determined by the Association. This may include construction of necessary facilities to provide three-phase service up to and/or through the subdivision, including any Relocation or replacements not requested by the Association.
4. The Developer will pay as a Contribution Toward the Cost of Construction of the subdivision system the total estimated construction cost of the Minimum Facilities necessary to provide the service, including transformers and meters, plus the cost of any additional capacity agreed to by the Developer and the Association.


Signature of Issuing Officer

Effective Date January 1, 2005

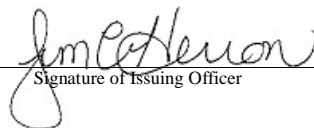
Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

5. The Developer will establish the permanent finished grade, plus or minus three inches, and locate on site such property corners and boundary lines as required by the Association prior to the installation of facilities.
6. The Association or its contractor will construct the subdivision electric system, including excavations, using construction methods consistent with good engineering and maintenance practices, dependable service, and conforming to the current version of the National Electrical Safety Code, local regulations and Association construction standards.
7. Any costs incurred by the Association due to a change in design or relocation of facilities resulting from action of the Developer or the city, town, county, metropolitan district or other government entity within which the development is located, or otherwise beyond the control of the Association, will be paid for by the Developer.
8. Subdivision Service Extensions will not be eligible for any Shared Cost Refunds.
9. The Association will refund, to the Developer who made a Contribution Toward the Cost of Construction prior to January 1, 2007, \$1,045.00 as a Construction Allowance Refund for each meter during the six (6) year period following receipt of the Developer's Contribution Toward Cost of Construction; provided that in no event will the total amount refunded to a Developer exceed the original contribution by the Developer, less any construction costs which are in excess of the necessary minimum required to provide power to the lots in the development.
10. No Construction Allowance Refund will be given for any Subdivision Service Extension for which the Contribution Toward the Cost of Construction is paid on or after January 1, 2007.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

D. System Backbone Extension:

In addition to the other applicable terms of these policies, the following will apply to any System Backbone Extension.

1. The Developer will provide to the Association a final accurate plat of the subdivision, showing the location of existing, planned and/or platted Easements, lots, future filings, streets, alleys, buildings, utilities, well sites, large electrical loads, any underground installations or obstructions, any Easements for future line extensions and any additional information pertinent to design of the extension, as required by the Association.
2. The Developer will be charged, as a minimum, an engineering fee of \$200.00 plus \$25.00 per lot for each lot in the development. If it is determined by the Association that the engineering fee is inadequate, an additional amount will be required. The engineering fee will act as a credit toward the estimated cost of construction. If the Developer cancels or fails to complete the extension, the Developer will forfeit the engineering fee.
3. The layout, general design and capacity of the System Backbone Extension, including the system necessary for future phases or filings, will be determined by the Association. This may include construction of necessary facilities to provide three-phase service up to and/or through the subdivision, including any Relocation or replacements not requested by the Association.
4. The Developer will pay as a Contribution Toward the Cost of Construction of the System Backbone Extension the total estimated construction cost of the Minimum Facilities necessary to provide the service, plus the cost of any additional capacity agreed to by the Developer and the Association.
5. The Developer will establish the permanent finished grade, plus or minus three inches, and locate on site such property corners and boundary lines as required by the Association prior to the installation of facilities.



Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

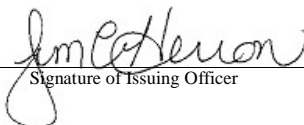
LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

- 6. The Association or its contractor will construct the System Backbone Extension, including excavations, using construction methods consistent with good engineering and maintenance practices, dependable service, and conforming to the current version of the National Electrical Safety Code, local regulations and Association construction standards.
- 7. Any costs incurred by the Association due to a change in design or relocation of facilities resulting from action of the Developer or the city, town, county, metropolitan district or other government entity within which the development is located or otherwise beyond the control of the Association will be paid by the Developer.
- 8. System Backbone Extensions will not be eligible for any Shared Cost Refunds or Construction Allowance Refunds.

E. Substation or Transmission Extension

N

- 1. The Developer of a new subdivision or industrial project will pay the entire cost of a substation or transmission line extension built to serve the load(s) within the project when the new project can be served by extension of the Association's distribution system, but it is determined that:
 - a. The new project could be served more economically by a new substation and/or transmission extension, rather than the extension of distribution feeders; and
 - b. The Association and Tri-State G&T both agree to construction of the substation and/or transmission extension; and
 - c. The Developer and the Association enter into a contract whereby the Developer agrees to pay 100% of the agreed upon cost of the substation and/or transmission extension in advance or provide financial assurance, acceptable to the Association that such payment will be made.


Signature of Issuing Officer

Effective Date October 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date August 16, 2005

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

- 2. The contract between the Association and the Developer will provide, as a minimum:
 - a. The substation to be constructed will consist of two transformers, each with rating equal to the projected load of the project, as determined by the Association. If the Association determines that larger transformers should be installed, then a portion of the substation cost, in the sole discretion of the Association, may be borne by the Association or third parties. Timing of installation of substation equipment will be as determined by the Association.
 - b. The substation and/or transmission extension will be permitted and constructed in accordance with RUS rules, Association standard designs and Association standard voltages, as determined in the sole discretion of the Association. All other provisions of the Association Line Extension Policy with respect to distribution facilities will apply to the project.
 - c. The Association will refund to the Developer amounts to be determined in each instance (based upon the substation and/or transmission extension cost and the projected build out of the project) for each single phase service and for each actual metered kVA of three phase service (averaged over the first continuous twelve (12) months of service) that is connected to the substation from an area to be defined in each instance during an agreed upon period, not to exceed fifteen (15) years, immediately following energizing of the first substation transformer at the substation. Refunds will be paid once per year within 90 days after the end of a calendar year during which the services were energized; provided that all amounts due the Association, including payment for purchase and installation of the second substation transformer, have been paid; and provided further that in no event will the total amount refunded exceed the original amount paid to the Association by the Developer for purchase and construction of the substation.
 - d. Nothing shall prohibit or limit the Association from using the substation and/or transmission extension from serving any other load, new or existing, connected to its system. Where use of a dedicated substation and/or transmission extension is limited to one member, no refunds of the cost of the substation and/or transmission extension will be given.



Signature of Issuing Officer

Effective Date October 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date August 16, 2005

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

V. RELOCATION OF EXISTING FACILITIES AND CONVERSION OF OVERHEAD FACILITIES TO UNDERGROUND

- A. Conversion of existing overhead facilities to underground or the relocation of facilities, will be treated as a construction Project and will be governed by the applicable provisions of this Policy, even if caused by the requirement of a government entity to construct, improve or relocate a public road as a condition of approving development plats or special use permits.
- B. Prior to commencement of construction of any Project, the Applicant will deposit with the Association, as a Contribution Toward the Cost of Construction, the estimated cost of the Project. In addition, the Contribution Toward the Cost of Construction of the Project will include the cost of removing existing facilities less any salvage value as determined by the Association. The contribution will bear no interest and will be used by the Association to construct the Project. If at any time it is determined by the Association that the contribution is inadequate to fund the construction of the Project, due to adverse or changed conditions, an additional amount as requested by the Association will be required. An agreement committing to all costs of the Project that is executed by a state, county, or municipal government prior to start of construction may be accepted, at the sole discretion of the Association, in lieu of an advance Contribution Toward the Cost of Construction.
- C. Conversion of existing overhead facilities to underground or the relocation of facilities will not be eligible for any Shared Cost Refunds or Construction Allowance Refunds.
- D. When the state or a city, town, county, metropolitan district or other government entity enacts a law by ordinance, resolution, or any other means, requiring the Association to reconstruct existing overhead facilities to underground and does not provide for payment to the Association of the cost of the conversion(s) pursuant to Title 29, Article 8 of the Colorado Revised Statutes, the Association, by specific resolution of its Board of Directors, adopting a tariff, may impose a monthly surcharge on those consumers who derive a direct benefit from the underground conversion, within a defined area, as set forth in the Board Resolution.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004

LINE EXTENSION POLICY
Rules, Regulations or Extension Policy

1. The monthly surcharge will be determined by the amount of the entire cost of the underground project, multiplied by the Association's "System Fixed Cost Percentage", as set forth in the Board Resolution, which may include expenses for operations, maintenance, administrative and general, depreciation, taxes and interest. The resulting product will be divided by the number of consumers within the area covered by the Board Resolution. The surcharge will be the same for all classes of service.

2. The Association will begin billing the monthly surcharge in January of the year following the year in which conversion of the facilities was completed. When long-term projects involve multiple phases, each phase will be calculated and billed subsequent to its completion. The monthly surcharge(s) will be reviewed annually to adjust for changes in the population within the area covered by the Board Resolution so that thereafter the monthly surcharge(s) will be applicable to new as well as previously existing consumers within the area. The monthly surcharge(s) will continue so long as the reconstructed facilities, or facilities replacing such, remain in place. Surcharges will be cumulative and may include multiple project phases and projects.

3. The Board Resolution, resulting tariff, and this Section V. of the Association's Line Extension Policy, and any amendments to these documents, will be recorded with the Clerk and Recorder of the County(ies) to which the Resolution is applicable.


Signature of Issuing Officer

Effective Date January 1, 2005

Decision of
Authority No. _____

General Manager
Title

Reissue Date April 21, 2004