

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 1 of 6

**I. Policy Statement:**

Central New Mexico Electric Cooperative, Inc. (hereinafter referred to as the "Cooperative") will extend facilities and provide service under applicable rate schedules without cost to the consumer where the cost does not exceed those costs set forth by consumer classification in Section II. Extensions made by the Cooperative shall be and remain permanently the property of the Cooperative.

The Cooperative shall:

- A. Provide a residential consumer with a copy of the utility's line extension policy and explain the content of such policy.
- B. Establish a reasonable time, not exceeding 30 days, after the residential consumer has complied with all reasonable utility requirements, for the delivery to the residential consumer of the utility's estimate for the line extension.
- C. Complete construction of the line extension within 60 days after the residential consumer signs the utility's line extension agreement and after the utility has secured all applicable permits, rights-of-way, materials and labor necessary for the line extension, and the utility has completed all other applicable contractual obligations. A utility shall be required to exercise due diligence and good faith in its efforts to obtain such permits, rights-of-way, materials, labor and contractual compliance. However, the utility shall not be required to complete construction of the line extension within the time frame where force majeure conditions exist.

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 2 of 6

**I. Policy Statement:** (Continued)

- D. Advise the residential consumer that if the residential consumer is not satisfied with the line extension proposal of the utility, including cost and time of construction, an informal review of the proposal may be provided by utility personnel located in the service area of the residential consumer and authorized to conduct such reviews. Such personnel shall be in position to modify such proposal where appropriate.
- E. Inform the residential consumer in writing of how that residential consumer's options concerning the type of installation of a line extension will affect utility charges, based on present rates or rates which are the subject of a pending case concerning rates. At a minimum, comparisons of average annual utility charges for that residential consumer shall be provided.

**II. Line and Service Extension Policy:**

- A. Residential Consumer  
For a full-time residential home, set on a permanent foundation which complies with Local zoning requirements, and with a permanent water system and sewer or septic tank system approved by the appropriate County or State Health Department, the Cooperative will extend electric service to any such qualifying consumer without charge provided that the total construction investment required does not exceed a construction credit equal to Three (3) times the estimated annual kWh usage for the residence, times the most appropriate retail rate, minus the cost of purchased power. If additional investment is required in excess of this construction credit, the consumer shall make arrangements to pay for the difference prior to construction of any facilities. Mobile homes will only qualify under this section if it is located on an individually owned lot and

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 3 of 6

**II. Line and Service Extension Policy:**

- A. Residential Consumer (Continued)  
meets the qualifications stated above. Mobile homes not meeting the requirements set forth above, or which are located in Mobile Home Parks will not qualify for line extension construction credits by the Cooperative.
- B. Residential Subdivisions, Platted Developments and Mobile Home Parks  
Residential Subdivisions, Platted Developments and Mobile Home Parks are those land divisions containing a minimum of five lots. Any such developments being subdivided for future potential residential home sites will require a construction contribution to be made by the developer to cover the cost of the basic backbone primary system being installed. Future individual residential connections eventually made, including necessary transformers, service drops, etc., will be extended under the provisions of the regular residential extension policy stated above. The initial backbone system investment will be divided by the number of lots in the subdivision and the resulting sum will be refunded to the developer on a per lot basis as homes or businesses are built on the lots and become revenue producing to the Cooperative. If a lot (s) is not revenue producing within five years of the commencement of construction by the Cooperative, any remaining construction costs will not be eligible for refund.
- C. Stock Wells and Domestic Wells  
The Cooperative will extend service to any well pumping customer without cost, provided the total construction investment required does not exceed a construction credit equal to \$650.00.

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 4 of 6

**II. Line and Service Extension Policy:**

C. Stock Wells and Domestic Wells (Continued)

If additional investment is required in excess of this construction credit, the customer shall make arrangements to pay for the difference prior to construction of any facilities.

D. Other Consumers

For other consumers other than a full-time residential, such as commercial, irrigation or seasonal, the Cooperative will make single or three-phase electric service extensions to permanent new qualifying load without an advance in aid of construction from the consumer if the estimated annual revenue is equal to 50% of the total construction cost.

All extension investments, which exceed this calculated amount shall require a cash contribution as an advance in aid of construction to be made equal to the difference and must be paid prior to construction.

E. Large Industrial Consumers

Large industrial loads involve special construction circumstances, which will require individual analysis for proven feasibility.

F. Temporary Consumers

If a consumer requires electric service for a non-permanent load, (such as a construction site which will not become a permanent new load, temporary facilities for special events, non-permanent mobile homes, etc.), the consumer shall pay, in advance, all costs involved in extending and removing electric service to the consumer's facilities less a credit for salvage value. This cost shall be non-refundable, shall be based on actual costs incurred by the Cooperative and shall be in addition to any

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 5 of 6

**II. Line and Service Extension Policy:**

- F. Temporary Consumers (Continued)  
costs for electric power and energy as defined in the Cooperative's applicable tariff schedules.

(Paragraph Deleted)

**III. Advance in Aid of Construction:**

- A. When the Cooperative's required investment per consumer is in excess of the allowed amount, the consumer will pay the cost in excess of the allowed amount as determined under Section II above. If the amount of advance is \$500.00 or less, the consumer will be required to pay the total amount of advance prior to the start of construction. Should the required advance exceed \$500.00, the consumer may pay a minimum of \$500.00 prior to the start of construction with the balance being billed as a fixed charge for a period not to exceed five (5) years. Interest shall be applied to the balance financed, at the current cost of financing from the Cooperative's lender(s) on the unpaid principal balance. The balance financed shall be evidenced by a promissory note to be secured by a recorded mortgage.
- B. If the actual construction cost is less than the estimated cost, the consumer will be refunded the difference between the actual cost and the estimated cost or the fixed charges will be adjusted to reflect actual cost of the extension.

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER

CENTRAL NEW MEXICO ELECTRIC COOPERATIVE, INC.  
FIRST REVISED RULE NO. 14  
CANCELLING ORIGINAL RATE NO. 14

LINE AND SERVICE EXTENSIONS

Page 6 of 6

**III. Advance in Aid of Construction:** (Continued)

- C. Any residential consumer who has paid an advance in aid of construction for any line extension will be entitled to a partial reimbursement of that advance by the Cooperative if within five years of the completed construction, other consumers are connected to the same line facilities. Reimbursement per connection shall be limited to \$500.00. This connection fee shall be added to the connecting consumers line extension charges.

In no event shall the total reimbursement be in excess of the original advance in aid of construction. No reimbursement shall be made for consumers connected five (5) years or more after the date of the original extension.

(Paragraphs Deleted)

**IV. Scheduling of Construction and Billing:**

Line and service extensions will be constructed as soon as possible after the application for service is made and necessary agreements, easements, deposits, etc. are secured. Billing will start when service is connected at point of delivery. If consumer is not ready for service when line is completed and service is made available, billing will begin with the first complete billing period after service is made available.

(Section V Deleted)

ADVICE NOTICE NO. 39

JOHN WHEELER, MANAGER