

ARTICLE 22

Service Construction

Section 1. Construction Costs. Member costs for extensions of service will be determined by a Cooperative representative upon request. Members must prepay all construction cost before construction commences. The Cooperative retains ownership of any facilities used in the upgrade, such as poles, lines, transformers, etc.

Section 2. Three-Phase. If there is three-phase construction that will benefit the Cooperative, reasonable allowances will be made in consideration of member cost for construction.

Section 3. Underground Service. At the election of the applicant, underground distribution systems and underground services will be available and cost will be determined by a cooperative representative. Members must prepay all construction costs before construction commences.

Section 4. Temporary Installations. Installations of a temporary nature shall be defined as being readily transportable or being of a short-term nature. The final decision as to whether the application is temporary or permanent and the cost incurred shall rest with the management of the Cooperative.

Section 5. Subdivisions. Cost of installation for use in a subdivision will be determined by a Cooperative representative on a case-by-case basis. Subdivisions must be platted and recorded, including utility easements. Utility easements shall be developed jointly between the owner or subdivider and Enerstar before the plat has been recorded.

Section 6. Agreements. Suitable agreements which conform to the provisions of this Policy between subdivider, developer, or property owners in an area to be converted, and Cooperative, setting forth the obligations and liabilities of the parties, shall be obtained before construction begins. Such agreement shall include Cooperative's estimates of all contributions, payments, reimbursements, and deposits, if any, to be made by the subdivider, developer, or property owners, under the provisions of this Policy. The agreement shall also provide that the amount of such estimates shall be paid to Cooperative prior to the commencement of the installation of any facilities hereunder. On completion of the installation, when such actual costs are less than the amount estimated, the Cooperative shall make an appropriate adjustment.

The subdivider, developer, or property owners in an area to be converted must provide suitable recorded plats and valid title restrictions to require all buildings to be supplied by underground distribution systems and services when located in an underground area.

The subdivider, developer, or property owners in an area to be served under the provisions of this Policy shall secure for the Cooperative, without cost to the Cooperative, such easements as the Cooperative may require for the installation, operation, and maintenance of its

facilities, including but not limited to easements for its overhead transmission and feeder lines, its transformers and for underground street lighting cables.

Before the Cooperative shall be required to commence operations or other construction, the subdivider, developer, or property owners in an area to be converted, and the customer shall (1) provide access for Cooperative's equipment to the Cooperative easement and to the area to be used for installation of underground services, (2) remove all buildings, structures, and obstructions from Cooperative's easement and the area to be used for installation of underground services, (3) provide marker stakes for lot corners showing grades of the Cooperative's easement areas at such intervals as may be designated by the Cooperative, and (4) provide grades for the easement area which shall not be more than four inches below final grade.

Notification and information must be provided to Cooperative sufficiently in advance of construction to permit proper coordination and sequence of construction with other utilities involved.

Cooperative will not provide underground facilities where there are engineering, operating, construction, safety or legal problems which would in Cooperative's judgment make it inadvisable to make the installation and which cannot be cured by the payment of excess costs by the member.

The point of delivery to each individual premise shall be the point approved by Cooperative, and member shall be responsible for the installation, maintenance, replacement, or enlargement of all facilities (other than Cooperative's meters) on member's premises beyond such point.

The respective obligations of Cooperative and subdivider, developer, or property owner under this Policy have been determined upon the basis of the cost of facilities and the cost of the installation thereof by normal plowing and trenching operations in unobstructed soil.

Section 7. Idle Services and Line Retention Policy- Adopted: 02/29/2016

Definition. An "idle service" is defined as an installation where electric power is available, but not being utilized. The installation may consist of facilities such as primary line, poles, transformers, service drop, and meters, although any of the latter three items may be lacking. Enerstar has the sole ownership of these facilities.

Idle services carry costs to the Cooperative in the form of line loss, maintenance, potential public liability and administrative costs. These costs must be shared by other members through their monthly facility charge. Management is directed to remove all idle services as soon as practical.

Retirement of Idle Services. Idle lines and services may be removed at the discretion of the Cooperative. However, landowners will be notified if possible. The notification of possible retirement will provide the landowner a period of thirty (30) days from the date of the letter to respond. If the landowner, after due notice, does not respond to the notice or fails to pay the required charge, the Cooperative may remove the facilities from the premises.

Charges for Retaining the Service. If the landowner is the only one affected by the service, desires to have the line left in place for future use, but has no immediate need of electric energy, it may be in his/her best interest to retain the current facilities by paying a monthly fee that controls the Cooperative's exposure to cost. The Cooperative would then maintain the line or service.

The charge, determined by the Cooperative's engineering department, would not exceed the facility charge for the appropriate rate class. The charge would be payable on a monthly basis and would be subject to change as new rates might be implemented.

The landowner would be required to become a Cooperative member, pay a deposit, and sign a membership application, if applicable. As a member, capital credits would be allocated on the account yearly if margins allowed.

Rebuilding Retired Services. If the landowner no longer desires electric service, the line, transformer, and all facilities shall be removed. All services that have been retired under this policy will only be built back at the request of the landowner after payment in full for such installation has been made to the Cooperative. See Member Policy Article XXI Service Construction for more information.