	FOR Entire Territory Serve	ed
	PSC KY NO	6
	2nd1st Revised SHEET NO	70
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40. UNDERGROUND ELECTRIC SERVICE

The purpose of this regulation is to formulate Owen Electric Cooperative, Inc.'s requirements for underground service, the application of which will insure adequate service and safety to all persons engaged in the construction, maintenance, operation, and use of underground facilities and to the public in general.

- A. <u>Applicability</u> This regulation shall apply to underground electrical supply facilities used in connection with electric distribution within the definitions set out herein.
- B. <u>Definitions</u> The following words and terms, when used in this regulation, shall have the meaning indicated:

<u>Applicant</u> – The developer, builder or other person, partnership, association, corporation, or governmental agency applying for the installation of an underground electric distribution system.

<u>Building</u> – A structure enclosed within exterior walls or fire walls built, erected, or framed of component structural parts.

<u>Multiple-Occupancy Building</u> – A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed to contain multiple dwelling units.

<u>Distribution System</u> – Electric service facilities consisting of primary and secondary conductors, transformers and necessary accessories and appurtenances for the furnishing of electric power at utilization voltage.

<u>Subdivision</u> – The tract of land which is divided into multiple lots for the construction of new residential buildings or the land on which is constructed two (2) or more new multiple occupancy buildings.

Commission - The Public Service Commission

<u>Trenching and Backfilling</u> – Opening and preparing the ditch for the installation of conductors including placing of conduits, raceways under roadways, driveways, or paved areas; providing a sand bedding below and above conductors when required and backfill of trench to ground level.

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BY AUTHORITY OF	ORDER OF THE PUBLIC SERVICE COMMISSION
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C. Rights of Way and Easements

- 1. The Cooperative shall construct, own, operate and maintain distribution lines only along easements, public streets, roads and highways which are by legal right accessible to the Cooperative's equipment and which the Cooperative has the legal right to occupy, and the public lands and private property across which rights of way and easements satisfactory to the Cooperative have been granted.
- 2. Rights of way and easements suitable to the Cooperative for the underground distribution facilities must be furnished by the applicant in reasonable time to meet service requirements. The applicant shall make the area in which the underground distribution facilities are to be located accessible to the Cooperative's equipment, remove all obstructions from such area, stake to show property lines and final grade, perform rough grading to a reasonable approximations of final grade and maintain clearing and grading during construction by the Cooperative. Suitable land rights shall be granted to the Cooperative, obligating the applicant and subsequent property owners to provide continuing access to the Cooperative for operation, maintenance or replacement of its facilities, and to prevent any encroachment in the Cooperative's easement of substantial changes in grade or elevation thereof.

D. <u>Installation of Underground Distribution System Within New Subdivision</u>

- Where appropriate contractual arrangements have been made, the Cooperative shall install within the subdivision an underground electric distribution system of sufficient capacity and suitable materials which, in its judgment, will assure that the property owners will receive safe and adequate electric service for the foreseeable future.
- 2. All conductors installed by the Cooperative may be underground if required by governmental authority or chosen by the applicant, in either of which case, the differential cost of underground shall be borne by the applicant. Appurtenances such as transformers, pedestal-mounted terminals, switching equipment and meter cabinets may be placed above ground.

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Installation of Underground Distribution System Within New Subdivision (Continued)

- 3. If the applicant has fulfilled the Cooperative's pre-installation requirements defined in the contractual agreement, installation will commence as scheduled at the preconstruction meeting. The Cooperative is not required to extend the service to portions of the subdivisions not under active development.
- 4. The Cooperative shall furnish, install and maintain the service lateral to the individual member's meter base in accordance with the schedule of charges outlined in the following section upon individual's application for membership and having passed all inspections.

E. Schedule of Charges

- A non-refundable payment shall be made by the applicant equal to the difference between the cost of
 providing underground facilities and that of providing overhead facilities. The payment to be made by
 the applicant shall be determined from the total footage of conductor to be installed at an average per
 foot cost differential in accordance with the average cost differential filed herewith as Exhibit A, which
 shall be reviewed annually and updated as needed.
- 2. The Cooperative strongly encourages all members to install services underground. Therefore the Cooperative will install underground service wire at no charge. The member is responsible to trench, furnish and install conduits, and back fill in accordance to Cooperative specifications for all service conductor. Upon completion and submittal of all inspections, the Cooperative will in turn, furnish, complete the installation of all conductor, make all necessary connections, and maintain the service lateral.
- 3. For a building that is not part of a subdivision such as a single residential lot, the applicant will be responsible for all trenching, conduit installation and backfilling for primary and service conductor. The cost differential for conductor installation is specified in Exhibit A. The underground distribution system will be designed by the Cooperative to allow sufficient capacity and suitable materials which, in its judgment, will assure that the applicant will receive safe and adequate electric service.

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Schedule of Charges (Continued)

- 4. For subdivisions, the Cooperative provides all trenching, conduit installation and backfilling up to the transformer and/or secondary pedestals except where described in the contractual agreement between the Cooperative and the applicant. The charges specified in Exhibit A includes charges for this work. Where rock, shale, or other impairments are anticipated or encountered in construction, the actual increased cost of trenching and backfilling shall be borne by the applicant. If an applicant chooses to perform all necessary trenching, conduit installation and backfilling in accordance with the Cooperative's specifications, a credit equal to the Cooperative's average cost for trenching and backfilling will be-waivedgranted.
- 5. For three phase services requesting underground service a contribution in aid to construction will be determined based on infrastructure upgrades in accordance with 807 KAR 5:041, Section 11(1), which states: "Any utility which extends service to a customer who may require polyphase service or whose installed transformer capacity will exceed 25 kVA may require the customer to pay in advance additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 kVA."
- 6. Line extensions from the existing supply facility to the individual property or boundary of a subdivision shall normally be overhead and any deposit required for that extension is subject to refund per the Cooperative's line extension tariff. Upon request, such extension may be made underground, if the applicant agrees to pay the excess cost for the underground extension, whereby the excess cost shall be nonrefundable.
- 7. Plans for the location of all facilities to be installed shall be approved by the Cooperative and applicant prior to construction. Alterations in plans by the applicant which require additional cost of installation or construction shall be at the sole expense of the applicant.
- 8. The Cooperative shall not be obligated to install any facility until satisfactory arrangements for the payment of charges have been completed by the applicant.
- The charges specified in these rules are based on the premise that each applicant will cooperate with the Cooperative in an effort to keep the cost of construction and installation of the underground electric distribution system as low as possible.

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F. Construction

1. All electrical facilities shall be installed and constructed to comply with the rules and regulations of the Public Service Commission, National Electric Safety Code and Owen Electric Cooperative, Inc. Specifications.

G. Other

1. In unusual circumstances, when the application of these rules appears impractical or unjust to either party, or discriminatory to other members, the Cooperative or applicant shall refer the matter to the Commission for special ruling or for the approval of special conditions which may be mutually agreed upon prior to commencing construction.

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Owen Electric Cooperative, Inc. Rules and Regulations No. 40 Exhibit A (April 1, 2023 January 4, 2021)

Average Cost Differential for Underground Electric Distribution

- 1. Underground primary (and secondary to pedestal if applicable) cost differential per trench foot for subdivision: \$7.14 per trench foot for subdivision: \$4.54 plus the cost of trenching, conduit placement and backfill which will be determined at the time of agreement with subdivision developers.
 - Cooperative responsible for trenching, conduit placement, and backfill except where specified in agreement.
- 2. Underground primary cost differential per trench foot for non-subdivision: \$1.36 \ \$3.17 Member responsible for all trenching, conduit placement, and backfill.
- Underground service cost differential: \$0.00
 Member responsible for all trenching, conduit placement, and backfill from transformer or pedestal to meter base.

Methodology for Computing Underground Cost Differentials:

1. Underground Primary (including Secondary to pedestal) Cost Differential (Subdivision)

Underground primary line extension samples for 20192022*:

Total Cost	\$660,602.84-\$1,286,067.48
Total Footage	19,215 <u>34,766</u>
Cost per foot	\$34.38 \$36.99

Overhead primary line extension samples for 20192022*:

Total Cost	\$523,387.86 <u>\$1,128,077.31</u>
Total Footage	19,215 <u>34,766</u>
Cost per foot	\$ 27.2 4_\$32.45

Cost Differential: \$34.38 - \$27.24 = \$7.14 \$36.99 - \$32.45 = \$4.54 per trench foot + Additional Associated Trenching Costs

2. Underground Primary Cost Differential (Non-subdivision):

Underground primary line extension samples for 2019 2022:

 Total Cost
 \$188,947.22 \$405,277.36

 Total Footage
 10,847 20,291

 Cost per foot
 \$17.42 \$19.97

Overhead primary line extension samples for 2019 2022:

 Total Cost
 \$684,618.97_\$581,178.67

 Total Footage
 42,640_34,592

 Cost per foot
 \$16.06_\$16.80

Cost Differential: \$17.42 - \$16.06 = \$1.36 - \$19.97 - \$16.80 = \$3.17 per trench foot

^{*}Based on equivalent overhead estimates of actual 2019-2022 underground subdivision work orders.