

NORTHERN RIO ARRIBA ELECTRIC COOPERATIVE, INC.
FIRST REVISED RULE NO. 23
CANCELLING ORIGINAL RULE NO. 23

LINE EXTENSIONS
(X – NUMEROUS CHANGES)

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GENERAL DEFINITIONS:

1. Advance In Aid of Construction - Amount paid from the applicant to the Cooperative in advance and prior to scheduling of line extension construction by the Cooperative.
3. Applicant - Any person, firm, association, corporation or body applying for electric service or electric service upgrade from the Cooperative.
4. Applicant-Built Line Extensions -Applicant desiring new line extensions must have them constructed by a competent and qualified electrical contractor under the terms and conditions set forth in this Rule.
5. Cooperative - The word “Cooperative” as used in these rules shall mean Northern Rio Arriba Electric Cooperative, Inc.
6. Cooperative Construction Investment - Amount invested by the Cooperative for **residential line extensions only**. The Construction Investment is calculated by averaging the monthly residential bill over 12 months from January 1 to December 31 annually, less the average purchased power cost over the same 12 months, and multiplying the result by twenty-four months (2 years worth of revenue). Figures used will be from Cooperative’s year end Form 7 for the prior year.

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GENERAL DEFINITIONS:

7. Indeterminate Load - All services not falling within the classification of Planned Development, Subdivision, Trailer or Mobile Home Park, Residential, and Security Light. This classification applies to electric service to all Indeterminate, Irrigation, Temporary, Industrial or Commercial services where the use of electricity in either amount or permanency cannot be determined by the Cooperative with assurance. Examples include, but are not limited to: industrial and commercial enterprises, irrigations systems, barns, recreational vehicles, mines, quarries, wells and other enterprises where the applicant will not be the user of service.
8. Line Extension – The construction or modification of the Cooperative's electric distribution system.
9. Planned Development, Subdivision, Trailer or Mobile Home Park - This classification applies to the applicant that develops a piece of property into two or more lots duly approved by a governing body of the city, county, state or any other entity having jurisdiction. In the event the development is exempt from the preceding requirement, then evidence of such exemption will be provided.
10. Residential Service - This classification applies to electric service for normal domestic power use to individual residences, individual dwelling units and churches (Chapel, Sanctuary or other structure used primarily for religious worship) that required less than 50 kVA of transformer capacity. Service under this classification is not for master-metered, multiple housing units, business establishments, public buildings, or other buildings such as Bingo Halls, Parish Halls, Class Rooms, Wells, etc. owned or operated by a church that is not used primarily for religious worship. All trailers, mobile homes, and modular homes are classified as Indeterminate Loads except when the trailer, mobile home or modular home is placed on a permanent foundation, which consists of a retaining wall (reinforced concrete footing and masonry stem wall) of concrete, rock or cinder block with mortar, with the wheels, axles and tongue arrangement permanently removed.

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GENERAL REQUIREMENTS:

1. Before the Cooperative performs an estimate for applicant's requested line extension or facilities, applicant must submit to the Cooperative the following:
 - a. A completed Application for Membership and Service;
 - b. A duly executed and acknowledged statutory form of Warranty Deed or other acceptable conveyance in the Cooperative's discretion, as recorded at the County Courthouse, or a Real Estate Contract duly signed and acknowledged and Notice thereof recorded at the County Courthouse (all signed by both husband and wife, if applicable), showing ownership and any liens and encumbrances on the tract upon which an easement will be granted for the facilities or line extension;
 - c. Unless waived by the cooperative, an easement, free from all liens and encumbrances and duly executed and acknowledged (signed by both husband and wife, if applicable) for the line extension and facilities in acceptable form to the Cooperative from the owner of the property. The Cooperative shall be named as the grantee on the easement;
 - d. A Land Assignment (if on Tribal Land);
 - e. A Plat showing pertinent information to Applicant's request;
 - f. Applicant's signed request in writing if an overhead or underground line extension is sought and can be built to the requested property.

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GENERAL REQUIREMENTS: (Continued)

2. Where underground facilities are requested by the applicant, the applicant will provide at no cost to the Cooperative all trenching, bedding and backfilling in accordance with Cooperative's specifications, and these activities and the facilities will be installed under the Cooperative's supervision. All underground facilities will meet the National Electric Safety Code and other electric code requirements.
3. Applicant will provide, at no cost to the Cooperative, all permits, recorded easements and/or right-of-way(s) from the County, State or other title or interest owner in a form acceptable to the Cooperative, duly signed and acknowledged (by both husband and wife, when applicable), free from all liens and encumbrances, before construction is started for the area being served. The Cooperative shall be named as the grantee on all easements.
4. All meters, including instrument transformers when necessary, will be installed, owned, and maintained by the Cooperative. The Cooperative reserves the right to require the applicant to furnish and install at the applicant's expense a suitable steel cabinet to house the Cooperative's metering equipment and to be equipped so that it can be sealed/locked by the Cooperative.
5. The Cooperative will own, design, construct, operate and maintain all electric lines and facilities, including its meters, on the Cooperative's side of the point of attachment, for all classes of service.

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GENERAL REQUIREMENTS: (Continued)

6. The location of the extension or service drop of origin and the route to be followed will be determined solely by the Cooperative. The Cooperative reserves the right to approve all locations for transformers, meters, or other electrical equipment. In the situation where the location is unacceptable because of inaccessibility due to terrain, buildings or any other obstructions or other operational or safety considerations, the Cooperative will refuse to make service available to the applicant until such time that an acceptable location is determined by the Cooperative.
7. No overhead service will be provided in established areas served by an underground system.
8. Motors causing voltage flickering during start-up or motors introducing harmonics to the Cooperative's distribution system will be corrected at the expense of the consumer.
9. The Cooperative may, at its discretion, remove the service or security light where the Cooperative's service has been discontinued pursuant to the Cooperative's rules.
10. There shall be no customer-owned metering beyond the Cooperative's metered point except for the purpose to track usage.
11. The Cooperative shall not under any circumstances or conditions be required to make an extension or enlargement, or provide underground facilities that would not permit the Cooperative to recover its total costs and or cause an undue hardship upon the Cooperative or its then existing consumers.

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GENERAL REQUIREMENTS: (Continued)

12. The Cooperative reserves the right to address independently situations on their own merits and without reference to the provisions of this rule when there is unacceptable risk, as determined by the Cooperative, associated with furnishing electric service and the expected relationships between cost, investment, revenues, and permanency of electric service. When the construction cost of line extension is estimated to be greater than \$50,000 or when the proposed service capacity is 1,000 kVA or greater, the Cooperative reserves the right to impose other terms and conditions to protect the Cooperative and its members against undue hardship, to recover its total costs and to administer independently these situations on their own merits.
13. The Cooperative reserves the right to obtain from any applicant an advance to cover such costs as staking or engineering for all estimates.
14. The Cooperative reserves the right to bill and collect from the applicant the monthly minimum to recover the Cooperative's cost at the time the Cooperative has finished its construction.
15. Advances in aid of construction will not earn interest.
16. In the event a change is made to the original construction estimate, the Cooperative has the option to review actual cost for reimbursement from or to the applicant or collect the difference between the estimate and actual cost from the applicant.
17. The consumer shall be subject to the rules and regulations of the Cooperative.
18. Any consumer installation shall conform to City, State, and National Electrical Codes and Electrical Safety Codes.
19. The consumer shall not resell or obtain a markup for electric service to others.

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FACILITIES AND SERVICE FOR SEPARATE CLASSIFICATIONS:

1. Conversion, Relocation, Or Removal Of Existing Facilities:

All requests for conversion, relocation, or removal of facilities shall be considered by the Cooperative at its sole discretion and it shall not under any circumstance(s) or conditions be required to convert, relocate, or remove existing facilities. When the Cooperative is requested to convert, relocate, or remove existing facilities for the benefit and/or convenience of a consumer(s), the consumer(s) shall be required to execute an agreement for Relocation of Electric Lines and pay the Cooperative, before work is started, for the estimated costs of the new, converted, relocated or removed facilities to be installed and/or removal cost of the existing facilities less the salvage value. In the event the actual cost is different than the estimated cost, the consumer(s) will be charged or be refunded the difference. Also the consumer(s) shall provide easement(s), duly executed (including by both husband and wife, if applicable), and acknowledged, free from all liens and encumbrances, in a form acceptable to the Cooperative, for any new, converted or relocated facilities added to the system before any work is started. Furthermore to avoid interruptions of service to existing members, the Cooperative may require the construction of temporary facilities. All cost associated with these temporary facilities shall be paid for by the consumer(s) requesting the conversion, relocation, or removal of facilities.

2. Planned Development, Subdivision, Trailer Or Mobile Home Park:

Electric service for this category served by the Cooperative shall be under the following terms and before construction is started:

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2. Planned Development, Subdivision, Trailer Or Mobile Home Park:
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- a. The applicant shall, in advance of construction of facilities and line extensions, provide the Cooperative an approved plat showing the location of lots, streets, alleys, existing buildings, existing utilities and any other underground installations or obstructions existing or planned. The applicant will provide the Cooperative with all pertinent load data to be used in the design.
- b. The applicant shall provide and identify permanent rights-of-way, permits and easements in a form acceptable to the Cooperative, duly executed (including by both husband and wife, if applicable) and acknowledged and free from all liens and encumbrances, that are compatible with the Cooperative's policies for design, installation, operation, and maintenance of the system, including the necessary access to and from the development, at no cost to the Cooperative. The Cooperative shall be named as the grantee on all easements.
- c. The applicant may opt to install only a primary and/or secondary electric service to each lot. The member-owner of each lot is then responsible for extending the electrical service to their building site under the terms of the Cooperative's Line Extension policy.

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2. Planned Development, Subdivision, Trailer Or Mobile Home Park:
(Continued)

- d. The electrical capacity requirements of any planned Development, Subdivision, Trailer or Mobile Home Park will be analyzed by the Cooperative to insure that the Cooperative's existing facilities and member owners will not be adversely affected by the additional loading of the planned development. The applicant will be responsible for any system upgrades necessary to insure system reliability for the increased loading created by the planned development. The Cooperative shall not under any circumstances or conditions be required to make an extension or enlargement or provide underground facilities that would not be economically feasible and thereby cause undue hardship on the Cooperative or other members of the Cooperative. The Cooperative reserves the right to decide if the electrical lines will be built under these conditions.
- e. If underground electrical lines are installed, all trenching, bedding, and backfill will be provided by the applicant, at no cost to the Cooperative, in accordance with Cooperative's specifications, and installed under the Cooperative's supervision.
- f. The applicant shall pay a non-refundable contribution equal to the estimated cost for put up and put down for all electrical lines. However, if actual closeout costs are above the estimated cost, the applicant will pay the difference before the electrical lines are energized. The Cooperative shall recover its total expended costs.
- g. The Cooperative reserves the right to energize the line in sections. It will not be required to energize lines where no members are located.

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2. Planned Development, Subdivision, Trailer Or Mobile Home Park:
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- h. The applicant will convey and assign to the Cooperative by duly executed and acknowledged conveyances and assignments, in forms acceptable to the Cooperative and free from all liens and encumbrances, the entire grantee ownership interest in the easement(s) and facilities, and the Cooperative will take ownership of all primary and/or secondary lines at no cost to the Cooperative after lines are built and all provisions are met in this category.
- i. The applicant and the Cooperative will execute a contract with the terms listed above and any other requirements from the Cooperative before any work is started.

3. Indeterminate, Irrigation, Temporary, Industrial Or Commercial Services:

Electric service for this category served by the Cooperative shall be under the following terms and before construction is started:

- a. The applicant shall, in advance, provide the Cooperative an approved plat showing the location of buildings, existing utilities and any other underground installations or obstructions existing or planned. The applicant will provide the Cooperative with all pertinent load data to be used in the design.

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3. Indeterminate, Irrigation, Temporary, Industrial Or Commercial Services:
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- b. The applicant shall provide and identify permanent rights-of-way, permits and easements in a form acceptable to the Cooperative, duly executed (including by both husband and wife, if applicable) and acknowledged and free from all liens and encumbrances, that are compatible with the Cooperative's policies for design, installation, operation, and maintenance of the system, including the necessary access to and from site of construction, at no cost to the Cooperative. The Cooperative shall be named as the grantee on all easements.
- c. The electrical capacity requirements of any planned construction will be analyzed by the Cooperative to insure that the Cooperative's existing facilities and member owners will not be adversely affected by the additional loading of the planned construction. The applicant will be responsible for any system upgrades necessary to insure system reliability for the increased loading created by the planned construction. The Cooperative shall not under any circumstances or conditions be required to make an extension or enlargement or provide underground facilities that would not be economically feasible and thereby cause undue hardship on the Cooperative or other members of the Cooperative. The Cooperative reserves the right to decide if the electrical lines will be built under these conditions.
- d. If underground electrical lines are installed all trenching, bedding, and backfill will be provided by the applicant, at no cost to the Cooperative, in accordance with Cooperative's specifications, and installed under the Cooperative's supervision.

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3. Indeterminate, Irrigation, Temporary, Industrial Or Commercial Services:
(Continued)

- e. The applicant shall pay a non-refundable contribution equal to the estimated cost for put up and put down for all electrical lines. However, if actual closeout costs are above the estimated cost, the applicant will pay the difference before the electrical lines are energized. The Cooperative shall recover its total expended costs.
- f. The applicant will convey and assign to the Cooperative by duly executed and acknowledged conveyances and assignments, in forms acceptable to the Cooperative and free from all liens and encumbrances, the entire grantee ownership interest in the easement(s) and facilities, and the Cooperative will take ownership of all primary and/or secondary lines at no cost to the Cooperative after lines are built and all provisions are met in this category.
- g. The applicant and the Cooperative will execute a contract with the terms listed above and any other requirements from the Cooperative before any work is started.
- h. The applicant will execute an application for service and construction contract guaranteeing the required tariff minimum filed with New Mexico Public Regulation Commission.

4. Residential Services:

Electric service for this category served by the Cooperative shall be under the following terms and before construction is started:

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4. Residential Services: (Continued)
- a. The applicant shall, in advance, provide the Cooperative an approved plat showing the location of lots, streets, alleys, existing buildings, existing utilities and any other underground installations or obstructions existing or planned. The applicant will provide the Cooperative with all pertinent load data to be used in the design.
 - b. The applicant shall provide and identify permanent rights-of-way, permits and easements in a form acceptable to the Cooperative, duly executed (including by both husband and wife, if applicable) and acknowledged, and free from all liens and encumbrances, that are compatible with the Cooperative's policies for design, installation, operation, and maintenance of the system, including the necessary access to and from the site of construction, at no cost to the Cooperative. The Cooperative shall be named as the grantee in all easements.
 - c. The electrical capacity requirements of any planned construction will be analyzed by the Cooperative to insure that the Cooperative's existing facilities and member owners will not be adversely affected by the additional loading of the planned construction. The applicant will be responsible for any system upgrades necessary to insure system reliability for the increased loading created by the planned construction. The Cooperative shall not under any circumstances or conditions be required to make an extension or enlargement or provide underground facilities that would not be economically feasible and thereby cause undue hardship on the Cooperative or other members of the Cooperative. The Cooperative reserves the right to decide if the electrical lines will be built under these conditions.

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4. Residential Services: (Continued)
- d. If underground electrical lines are installed, all trenching, bedding, and backfill will be provided by the applicant, at no cost to the Cooperative, in accordance with Cooperative's specifications, and installed under the Cooperative's supervision.
 - e. The applicant will convey and assign to the Cooperative by duly executed and acknowledged conveyances and assignments, in forms acceptable to the Cooperative and free from all liens and encumbrances, the entire grantee ownership interest in the easement(s) and facilities, and the Cooperative will take ownership of all primary and/or secondary lines at no cost to the Cooperative after lines are built and all provisions are met in this category.
 - f. The applicant and the Cooperative will execute a contract with the terms listed above and any other requirements from the Cooperative before any work is started.
 - g. The Residential Service has two options for payment.
 - 1. Cooperative Construction Investment - In instances where the applicant selects the Construction Investment option the applicant agrees to the following rules.

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4. Residential Services: (Continued)

- A. The Cooperative will require the applicant requesting new construction to execute a contract which guarantees the average Residential monthly usage over 12 months from January 1 to December 31 annually, calculated from the prior year end Form 7 Residential class. This contract monthly minimum will be added to the applicant's account for a period of five (5) years and it will commence at the time the Cooperative has finished its construction. The actual Energy charge/kWh and System Charge set forth in the Cooperative's applicable tariff filed with the New Mexico Public Regulation Commission will be applied towards the contract monthly minimum. The following are illustrative examples of residential bills under this provision with the actual kWh and System Charge applied towards the contract monthly minimums.

Actual Usage kWh/ SC	Contract Monthly Minimum	Applicant Pays
\$40.00	\$50.00	\$50.00
\$60.00	\$50.00	\$60.00

- B. In the event of transfer of ownership of the property involved should occur, the liabilities of the contract will be paid in full prior to the transfer, unless assumed in writing by the new owner.

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4. Residential Services: (Continued)
- C. The Cooperative will provide a Construction Investment Amount. The Construction Investment is calculated by averaging the monthly residential bill over 12 months from January 1 to December 31 annually, less the average purchased power cost over the same 12 months, and multiplying the result by twenty-four months (2 years worth of revenue). Figures used will be from Cooperative's year end Form 7 for the prior year.
 - D. If the construction estimate exceeds the Construction Investment from the Cooperative, the applicant will be required to make an Advance in Aid of Construction in an amount equal to the excess prior to the construction of any facilities. The Advance in Aid of Construction will not draw interest.
 - E. In the event a change is made to the original construction estimate, the Cooperative has the option to review actual cost for reimbursement to the applicant or collect the difference from the applicant.
2. Non-Cooperative Construction Investment - In instances where the applicant selects the Non-Construction Investment option the applicant agrees to the following:
- A. The applicant will make an Advance in Aid of Construction, before work is started, in an amount equal to the estimated cost of installation and removal, less credit for estimated salvage of material to be recovered. Advances in Aid of Construction will not draw interest.

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4. Residential Services: (Continued)

- B. The applicant will execute an application for service and construction contract guaranteeing the required residential tariff minimum filed with New Mexico Public Regulation Commission.
- C. In the event a change is made to the original construction estimate, the Cooperative has the option to review actual cost for reimbursement to the applicant or collect the difference from the applicant.

5. Security Light:

Security Light installations for this category served by the Cooperative shall be under the following terms and before construction is started:

- a. The applicant will execute a Security Light Service Agreement.
- b. Security light installations and related equipment shall be owned, operated, and maintained by the Cooperative. All facilities installed on the consumer's premises shall be the property of the Cooperative.
- c. Security light installations shall require a 60 continuous month (5 years) service agreement, as provided by contract. The Cooperative may at its discretion, remove the security light where service has been discontinued pursuant to the Cooperative's rules.
- d. It shall be the consumer's responsibility to notify the Cooperative if security light maintenance is required.

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5. Security Light: (Continued)

- e. Security light installations shall be maintained by the Cooperative only during normal working hours.
- f. Security light installations may be inoperative during periods within a month, but such periods shall not cause the net rate per month to be adjusted.
- g. Security light installations may be installed on a temporary basis at applicant's written request in accordance with the rules and regulations covering temporary electric service.
- h. The consumer agrees to pay the costs incurred to repair or replace any damage to the light or equipment due to vandalism.
- i. The Cooperative reserves the right to remove lamp and appurtenances at any time in the event more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance required unless the consumer agrees to pay for the additional calls and costs incurred.
- j. The consumer shall be subject to the rules and regulations of the Cooperative.
- k. The consumer's installation shall conform to City, State, and National Electrical Codes and Electrical Safety Codes.
- l. The consumer shall not resell electric service to others.
- m. The consumer agrees to pay an Advance in Aid of Construction for any installation costs in excess of \$150.00 per installation.

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6. Applicant-Built Line Extensions:

The classification and the following requirements apply to applicant-built line extensions:

- a. Applicant interested in pursuing this option must execute a contract that will establish the detailed terms and conditions for a specific project.
- b. Such system must be designed by Cooperative at the applicant's expense.
- c. The Cooperative will specify all materials and equipment to be used in the electrical system including, but not limited to: wire, cable, conduit, poles, fixtures, switchgear, relays, capacitors, and insulators. The applicant shall be free to acquire said materials from any source, provided that all materials shall be from approved manufacturers and meet the specifications with current RUS material specifications and National Electrical Codes and Electrical Safety Codes, as verified by Cooperative.
- d. All meters and associated metering transformers will be provided and installed by the Cooperative.

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6. Applicant-Built Line Extensions: (Continued)
- e. The applicant will hire only those contractors who are properly and currently qualified and licensed, in accordance with State and local law and regulation, to construct electrical distribution systems. The contractor will meet all the regulations and licensing standards set by the State of New Mexico Regulation and Licensing Department, including, but not limited to, Rule Title 14, Chapter 6, Part 6 subsection 9.4.h and subsection 10 (14.6.6.9.4.h NMAC and 14.6.6.10 NMAC), EL-1 and EE98 certification by the State of New Mexico. The Cooperative reserves the right to disapprove of any contractor selected by the applicant on the grounds that the contractor is not properly qualified or otherwise able to construct the line extension in accordance with the Cooperative's construction standards.
 - f. Construction practices and equipment must be in compliance with Cooperative construction standards as verified by the Cooperative.
 - g. Applicant shall provide to the Cooperative easements and rights-of-way duly executed (including by both husband and wife, if applicable) and acknowledged and free from all liens and encumbrances in a Cooperative approved form which reflect the "as-built" configuration and location of the electric system. The applicant shall pay the Cooperative for its costs incurred to verify the easement and rights-of-way.

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6. Applicant-Built Line Extensions: (Continued)

- h. The Cooperative will select a Construction Inspector who will visit the construction site. The Inspector shall have the authority to accept, or reject, the work and materials of the applicant or contractor and shall certify to the cooperative such acceptance or rejection at the time of inspection. The function of the Inspector shall be to verify compliance with design, materials, equipment and installation specifications of the Cooperative, RUS and the specified codes in this rule. Applicant must pay Cooperative's design and inspection costs before the Cooperative's services are rendered.
- i. The Cooperative has no obligation to purchase an electrical system which is not accepted by the Cooperative's Construction Inspector. In addition, the Cooperative will not provide electric service to a system which is not accepted by the Cooperative's Construction Inspector.

6. Applicant-Built Line Extensions: (Continued)

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NORTHERN RIO ARRIBA ELECTRIC COOPERATIVE, INC.
FIRST REVISED RULE NO. 23
CANCELLING ORIGINAL RULE NO. 23

LINE EXTENSIONS
(X – NUMEROUS CHANGES)

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- j. If the Cooperative determines the extension was built in accordance with Cooperative's design, material, and specifications and RUS construction and applicable code standards, with proper easements assignable to Cooperative, and is free of all liens and encumbrances, then Cooperative will buy the system for \$1.00. The applicant is liable for the direct and indirect consequences of any defects or failures of the electrical system from applicant's design, specifications, construction, operation or maintenance of the system, including direct and consequential damages arising there from, unless defects or failures arise from the Cooperative's negligent design, specifications, maintenance or operation of the system or the Cooperative's gross or willful misconduct in acts or omissions, if any, regarding these same activities pertaining to the system. The applicant and the Cooperative intend that each shall be responsible for their own acts or omissions and do not require indemnification from the other for any negligence, acts or omissions of the indemnitee, so that NMSA 1978, §§ 56-7-1 or 56-7-2, if they are they are construed to apply, do not render this rule or provision void or unenforceable. Commencing with the date of sale and the Cooperative's acceptance, in its discretion, of duly executed (including by both husband and wife, if applicable) and acknowledged conveyances, assignments, and bills of sale from all owners/grantors, in a form acceptable to the Cooperative, of the easements and other interests and the electrical system to the Cooperative, the Cooperative will assume ownership and maintenance and operating responsibility for the system. The easements, facilities and system from the owners/grantors must be free of all liens and encumbrances. The applicant shall provide validly executed and acknowledged releases of liens, including mechanics liens, from any contractor and subcontractor constructing or providing services on the line extension or system. Conveyances and assignments will not convey or assign to the Cooperative any liabilities or damages, including consequential damages, accruing or occurring prior to the conveyances or assignment. Such liabilities and damages will remain with the applicant.

ADVICE NOTICE NO. 48

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