

SOCORRO ELECTRIC COOPERATIVE, INC.
THIRD REVISED RULE NO. 12
CANCELLING SECOND REVISED RULE NO. 12
(Applicable to all members)

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LINE EXTENSION RULE

APPLICABILITY:

This Rule is applicable in areas contiguous to the electric distribution system of the Cooperative and only for service to permanent facilities where the property to be served is owned by the member-applicant and improvements to the property have been made, such as installation of a permanent water system or sewer or septic tank system approved by an appropriate governmental agency, or proof of such improvements to be made, such as permit for a water well or septic tank system issued by the appropriate state or country governmental agency. This rule shall apply to mobile homes if the mobile home installation complies with the above criteria and additionally the towing tongue of the mobile home is permanently removed from the mobile home frame.

I. Facilities to Subdivisions and Land Developments:

A. The member-applicant will contract with the Cooperative for the necessary lines and will pay a non-refundable Contribution-In-Aid-To-Construction equal to the estimated cost of the required investment before the Cooperative will start construction.

1. **BILLING PERIOD MINIMUM CHARGES:** In each billing period during the five year life of the original contract between the utility and the member-applicant, the member-applicant will be charged a minimum charge of one percent (1%) of the amount of the Contribution-In-Aid-To-Construction provided that if, in any billing period, the difference between gross revenue and the purchased power cost associated with the gross revenue from the subdivision or land development exceeds the one percent (1%) of the amount of the contribution, a minimum bill will not be charged, and the applicable rate schedule will apply instead. The billing period minimum charge is designed to pay for operation and maintenance costs of the electric facilities in the subdivision. For purposes of this Rule, a billing period is defined as approximately 1/12 of a year, but not necessarily a calendar month.

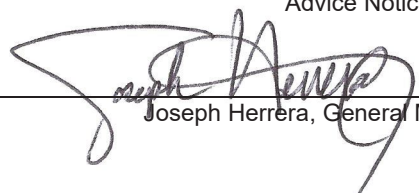
2. The Contribution-In-Aid-To-Construction will be paid by the member-applicant. The amount of the contribution will be based on the facility requirements to serve that development in accordance with the provisions of federal and state subdivision regulations.

II. Service to Individual Permanent Residential Members or Group of Permanent Residential Members:

A. Whenever an extension of the Cooperative's distribution system is necessary in order that a member or group of members may receive service, the following will apply:

1. **LINE EXTENSION INVESTMENT:** Extensions to the Cooperative's distribution system will be made at no charge to the member when the estimated investment is no more than three (3) times the average annual system consumer revenue calculated annually. If the investment required to serve a member is in excess of three (3) times the average annual system consumer revenue, the member shall pay to the Cooperative an Advance-In-Aid-To-Construction equal to the amount of investment in excess of (3) times the average annual system consumer revenue. Additionally, the member agrees to pay six percent (6%) per year on the investment in excess of three (3) times the average annual system member revenue. The six percent (6%) per year amount is to cover the operations and maintenance expense of the non-supported investment. All applications for line extensions under the provisions of this subsection will require the execution of an "Electric Service Agreement" between the member and the

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Joseph Herrera, General Manager

EFFECTIVE

June 3, 2022

Replaced by NMPRC

By: Commission Adoption of Stipulation
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Cooperative to set forth the terms of the line extension and electric service. The length of the agreement will depend upon the amount of investment required for extension.

2. COST INCLUDED IN COMPUTATIONS: Cost of new facilities and changes in existing facilities will be included when the investment is computed.
3. ADVANCE-IN-AID-CONSTRUCTION: Advance may be paid in cash or in equal monthly payments for a period equal to the number of years of the executed contract.
4. REFUND OF ADVANCE-IN-AID-TO-CONSTRUCTION: Advance for construction will be refunded or become the property of the Cooperative as outlined below:
 - a. A refund will be made to the member annually equal to fifteen percent (15%) of the annual revenues generated by the member in excess of the system consumer average annual revenues for a period not to exceed the life of the executed contract from the date of the original agreement.
 - b. Should service be discontinued or the period of the life of the executed contract elapse from the date of the original Agreement between the member and the Cooperative, any unrefunded amount of the advance shall become the property of the Cooperative.
5. CONNECTIONS TO EXTENSIONS: Any member who has paid Advance-in-Aid-to-Construction for any line extension will be entitled to a partial reimbursement of that advance by the Cooperative if within the duration of the agreement other members are connected to the same line facilities. Reimbursement will be computed so that each member receiving service from a facility will share equitable costs of the jointly used facilities. The reimbursement to the original member will be a prorated share of the common facilities of the original extension. The original investment shall be reduced by a % equal to the product of 100 divided by the number of years in the duration of the agreement per year, therefore, no value for refund purposes shall exist after the end of the agreement.

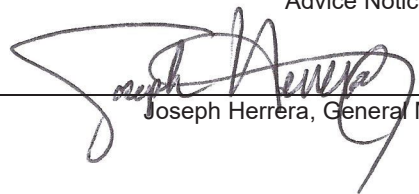
In no event shall the total reimbursement be in excess of the original Advance-in-Aid-to-Construction. Additionally, no reimbursement shall be made after the end of the agreement.

The same methodology outlined in this section will be applied in the event of an extension to an extension.

III. Service to Commercial, Large Commercial, Large Power, Large Industrial and Irrigation

- A. Whenever an extension of the Cooperative's distribution system is necessary to serve any of the above classifications of member, the same provisions applicable to residential applicants shall apply with the following exceptions:
 1. The investment by the Cooperative shall not exceed thirty-six (36) times the billing period minimum charge defined in the applicable rate schedule. Non-supported investment shall be covered by individual contracts between the member and the Cooperative.
 2. Deferred payment provisions will not be applicable for these classes of service. Billing period minimum charges will be either contract minimum charges or rate schedule minimum charges in accordance with the minimum charges defined in the applicable rate schedule.

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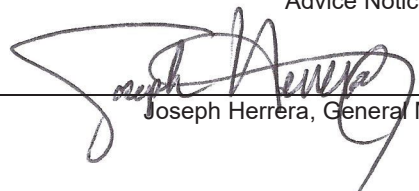
IV. Installation of New Lights:

- A. The Cooperative will install new lights on the following terms: X
1. At no cost to the member if the Cooperative investment does not exceed the cost of labor, trucks, a wooden pole, security light fixture, and 125 feet of service wire. X
 2. With the member-applicant making a Contribution-in-Aid-To-Construction of all investment required in excess of the costs defined in Section IV.A.1. above. X

V. Right-Of-Way

- A. All rights-of-way, easements, etc., as approved by the Cooperative, shall be clearly shown on all plats of land divided for resale, subdivision plats, plot plans, etc., prior to the time they are recorded. The Cooperative shall be furnished a copy of the recorded instrument.
- B. Line shall, normally be constructed on private rights-of-way as are required, without charge, over property owned or leased by the member, without charge, over property owned or leased by the member, and the member will assist the Cooperative in obtaining other rights-of-way necessary to provide service. Rental, easement, permit or other associated fees incurred in obtaining rights-of-way for a specific member or group of members shall be borne by the specific member(s).

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