

NISC Computer System Restoration Procedure-System Admin

Turn Power Switch OFF.

When power is restored, turn POWER SWITCH ON. For the next few minutes the terminal will display automatic test messages. When the "Welcome Screen" or "Login Screen" appears, Login in START UP and HIT RETURN.

Next terminal response is either "Root file corrupt, automatic repair (Y or N). HIT "Y" and RETURN or "Is date and time correct, Y or N?" HIT "Y" and RETURN.

After a few minutes Login screen will appear on all terminals. System will be fully functional.

Pandemic Plan

Objectives

To prepare SWAECC for the possibility of a pandemic, including:
To educate employees about a possible pandemic and its possible impacts on SWAECC's business operations.
To implement reasonable measures to mitigate the impact of a pandemic on SWAECC and employees.
To develop plans and policies for responding to a pandemic.
To promote employee wellness and minimize opportunities for employees to be exposed to the disease while at SWAECC.

Background

A pandemic is a global disease outbreak. A pandemic occurs when a new virus emerges for which people have little or no immunity and for which there is no vaccine. The disease spreads easily person-to-person, causes serious illness and can sweep across the country and around the world in a very short time.

It is difficult to predict when the next pandemic will occur or how severe it will be. Wherever and whenever a pandemic starts, everyone around the world is at risk. Countries might, through measures such as border closures and travel restrictions, delay arrival of the virus, but cannot stop it.

Levels of Response

Given that the exact nature of the next pandemic cannot be determined in advance, this plan addresses the threat with three general levels of response: **Seasonal**, **Epidemic** and **Pandemic**.

These levels are defined as follows:

Seasonal

The common illnesses experienced from year to year. The strains of these illnesses seen during a normal season are generally the same as or similar to those in previous seasons and there exists some pre-existing immunity to these illnesses. Vaccines provide some level of protection in that they provide a level of immunity to commonly-seen strains of these illnesses.

Epidemic

An epidemic is an illness that affects many persons at the same time and spreads from person-to-person in a locality where the illness is not permanently prevalent. An epidemic occurs when a group of people with little or no immunity to the illness are exposed and become ill. The rapid spread through any segments of the population can raise the risk for other effects.

Pandemic

A pandemic is a health emergency prevalent throughout an entire country, continent or the whole world; epidemic over a large area. A pandemic occurs when an illness, previously non-prevalent or seasonal in humans, develops the ability to infect humans and spread from person-to-person.

Preparation & Response Efforts

Employee Education

When a credible pandemic threat is identified, SWAECC will distribute their PANDEMIC PERIOD GUIDELINES SUMMARY document to all SWAECC employees. In addition, efforts will be made to educate employees about potential effects, how it spreads and how SWAECC is preparing. Numerous educational resources are available from the World Health Organization (WHO) and the Centers for Disease Control (CDC).

Employee luncheons, posters and broadcast email will be used to convey this information to employees.

Existing communication tools and communications plans would be used to educate and communicate pandemic-related messages to employees.

Seasonal
<ul style="list-style-type: none"> • Do not report to work if sick • Do not return to work until all symptoms have cleared (provide specific guidance from public health organizations) • Practice social distancing
Epidemic
<ul style="list-style-type: none"> • Limit face-to-face meetings • Limit travel to affected areas • Communicate changes in policy and/or procedures • Practice social distancing
Pandemic
<ul style="list-style-type: none"> • Preparing for the pandemic • SWAECC pandemic response procedures • Suspend face-to-face meetings, except for business-critical functions, e.g. safety, operations • Practice social distancing in any interactions • Suspend business travel, except for business-critical functions, e.g. safety, operations • Limit access to Cooperative facilities by non-essential personnel

Vaccines

Employees will be encouraged to obtain vaccines, if one exists for a particular virus and when appropriate, and opportunities to obtain them will be offered.

Seasonal
<ul style="list-style-type: none"> • Schedule opportunities for employees to obtain vaccinations • Encourage employees to participate
Epidemic
<ul style="list-style-type: none"> • Schedule additional opportunities for employees to obtain vaccinations
Pandemic
<ul style="list-style-type: none"> • Concerted effort to vaccinate all employees

Sanitary Practices

Supplies to maintain a sanitary environment will be kept on hand and deployed, as necessary, including: Hand Sanitizer, Disinfectant Spray, Rubber Gloves and Masks.

Seasonal
<ul style="list-style-type: none"> • Alcohol-based hand sanitizer or anti-bacterial/anti-viral foam dispensers in all common areas (restrooms, break rooms, conference rooms and at all meetings where food and drink are served). • Disinfectant spray (e.g. Lysol) in all restrooms • Facial tissues (e.g. Kleenex) in all meeting rooms and break rooms • Brief cleaning crews on disinfecting techniques
Epidemic
<ul style="list-style-type: none"> • No additional Measures
Pandemic
<ul style="list-style-type: none"> • Make respiratory masks and rubber gloves available for employees exhibiting symptoms, when available.

Recommended Temporary Policy Changes during a Pandemic

Policies related to paid leave should be reviewed with possible impacts from a pandemic in mind. The following issues will be among those considered:

Paid Leave

Seasonal
<ul style="list-style-type: none">• Employees should not report for work, if they show symptoms• Employees should not return to work from an illness-related absence until they are symptom-free
Epidemic
<ul style="list-style-type: none">• Supervisors encouraged to send sick individuals home
Pandemic
<ul style="list-style-type: none">• Relax definition of paid leave to allow leave to be taken to care for sick family members

Business Travel

Seasonal
<ul style="list-style-type: none">• No changes
Epidemic
<ul style="list-style-type: none">• Employees should be cautioned concerning travel to affected areas
Pandemic
<ul style="list-style-type: none">• Non-critical business travel suspended

Meetings

Seasonal
<ul style="list-style-type: none">• No changes
Epidemic
<ul style="list-style-type: none">• Face-to-face meetings should be minimized
Pandemic
<ul style="list-style-type: none">• Face-to-face meetings suspended except for business-critical functions

Work from Home

Seasonal
<ul style="list-style-type: none">• No changes
Epidemic
<ul style="list-style-type: none">• Employees with the ability to work from home and a demonstrated need to do so may be allowed to do so (with Supervisor approval)
Pandemic
<ul style="list-style-type: none">• CEO and Vice Presidents will access work-from-home options for the employees in their Divisions and, when possible and appropriate, employees with the ability to work from home would be encouraged to do so.• Employees working from home would be expected to put in a normal work week and be available during normal business hours. In such a situation, employees will use all remote access options available to them for performing work from home.

Business Continuity

SWAECC CEO and VPs will re-examine the Emergency Restoration Plans on a periodic basis

Coordination/Monitoring

The CEO and VPs will monitor information from the Arkansas Department of Health, the Centers for Disease Control and the World Health Organization for notification of pandemic activity. This should provide adequate lead time to prepare for arrival of the pandemic.

A significant increase in the level of contagious illness will determine if specific action related to the activation of the ERP is required.

Post-Pandemic Evaluation

Following the pandemic, all procedures and policies related to pandemic response would be examined for effectiveness and modified to prepare the Cooperative for a similar event in the future.

SOUTHWEST ARKANSAS ELECTRIC
COOPERATIVE CORPORATION

MUTUAL AID AGREEMENTS

MUTUAL AID AGREEMENT

In consideration of the mutual commitments given herein, each of the Signatories to this Mutual Aid Agreement agrees to render aid to any of the other Signatories as follows:

- 1.) Request for aid. The Requesting Signatory agrees to make its request in writing to the Aiding Signatory within a reasonable time after aid is needed and with reasonable specificity. The Requesting Signatory agrees to compensate the Aiding Signatory as specified in this Agreement and in other agreements that may be in effect between the Requesting and Aiding Signatories.
- 2.) Discretionary rendering of aid. Rendering of aid is entirely at the discretion of the Aiding Signatory. The agreement to render aid is expressly not contingent upon a declaration of a major disaster or emergency by the federal government or upon receiving federal funds.
- 3.) Invoice to the Requesting Signatory. Within 90 days of the return to the home work station of all labor and equipment of the Aiding Signatory, the Aiding Signatory shall submit to the Requesting Signatory an invoice of all charges related to the aid provided pursuant to this Agreement. The invoice shall contain only charges related to the aid provided pursuant to this Agreement.
- 4.) Charges to the Requesting Signatory. Charges to the Requesting Signatory from the Aiding Signatory shall be as follows:
 - a.) Labor force. Charges for labor force shall be in accordance with the Aiding Signatory's standard practices.
 - b.) Equipment. Charges for equipment, such as bucket trucks, digger derricks, and other special equipment used by the Aiding Signatory, shall be at the reasonable and customary rates for such equipment in the Aiding Signatory's location.
 - c.) Transportation. The Aiding Signatory shall transport needed personnel and equipment by reasonable and customary means and shall charge reasonable and customary rates for such transportation.
 - d.) Meals, lodging and other related expenses. Charges for meals, lodging and other expenses related to the provision of aid pursuant to this Agreement shall be the reasonable and actual costs incurred by the Aiding Signatory.
- 5.) Counterparts. The Signatories may execute this Mutual Aid Agreement in one or more counterparts, with each counterpart being deemed an original Agreement, but with all counterparts being considered one Agreement.
- 6.) Execution. Each party hereto has read, agreed to and executed this Mutual Aid Agreement on the date indicated.

Date: June 26, 2000
National Rural Electric
Cooperative Association
A Touchstone Energy® Cooperative

Southwest Arkansas Electric
Entity: Cooperative Corporation
By: /s/ C. Wayne Whitaker
Title: President & General Manager

MEMORANDUM

DATE: May 30, 2000

TO: General Managers, All NRECA Member Systems

FROM: Glenn English

RE: Sign Mutual Aid Agreement for FEMA Reimbursements – Before Disaster Occurs

PRIORITY: Important

A natural disaster can occur at any time.

Electric cooperatives that help one another during emergencies and natural disasters may inadvertently run afoul of a Federal Emergency Management Agency (FEMA) revised policy directive that is **now** in effect.

The revised FEMA policy now requires private, not-for-profit utilities (cooperatives and munis) that seek FEMA reimbursement for the costs of certain qualifying disaster aid to support their requests for reimbursement with a *written mutual aid agreement signed by the authorized officials of the agreeing parties prior to the crises or disasters.*

Through the diligent efforts of NRECA staff who worked closely with FEMA, we have been able to produce a single-page Mutual Aid Agreement that meets FEMA's regulatory requirements. Again, a written, signed agreement must be in place – **this applies to both the utility(s) receiving the aid and the utility(s) providing the aid** – before any disaster assistance is rendered and accepted if FEMA reimbursement is to be granted.

This single-page FEMA – reviewed Mutual Aid Agreement is enclosed. I hope that you will sign and return it to NRECA.

Important Points you must know.

1. A written, signed Mutual Aid Agreement must be in place – this applies to both the utility(s) receiving the aid and the utility(s) providing the aid – **before** any disaster assistance is rendered and accepted if FEMA reimbursement is to be granted.
2. Please do not make any changes or amendments to the Mutual Aid Agreement, which has been reviewed by FEMA. It is a uniform, contractual document; changes will trigger the need for revisions to the Mutual Aid Agreements other cooperatives may have already signed. We would have to start this entire process all over again.

3. This is neither a requirement for a cooperative – or any other entity – to provide assistance to any other entity, nor is this a requirement for any cooperative to seek reimbursement from FEMA for any emergency disaster assistance that is rendered or accepted. These decisions rest with the cooperative.

4. This Mutual Aid Agreement does not preclude or supersede any other agreements; we hope that municipally-owned systems will sign the Agreement through their trade association. Mutual aid agreements with IOUs may have to be negotiated separately to endure FEMA reimbursement. Tree trimmers and other non-utility contractors are not covered by the FEMA policy.

I hope you will complete and sign the Mutual Aid Agreement now, retain a copy for your files and return a signed copy to:

Lana Keelty
Legislative Counsel
NRECA
4301 Wilson Boulevard
Arlington, Virginia 22203-1860

NRECA will maintain a file of all signed copies of the Agreement, send you a list of all signatories and post a list of the signatories on the **members-only** section of NRECA's website, www.nreca.org.

If you have any questions, please call NRECA Association counsel Jonathan Glazier at 703.907.5798 or Legislative Counsel Lana Keelty at 703.907.6028.

Full NRECA member participation will ensure that all qualifying cooperative-to-cooperative aid is reimbursed by FEMA.

Enclosure.1

SOUTHWEST ARKANSAS ELECTRIC
COOPERATIVE CORPORATION

SUPPLIES

Material Checklist for Major Storms

1. Ensure that adequate supplies of Automatic wire sleeves are available in each district. ASCR wire sizes: 336.4, 1/0, 1/0, #2 and #4. Also 6A and 9A copperweld.
2. Ensure that adequate supply of wire is available in each district. ACSR wire sizes: 336.4, 4/0, 1/0, #2 and #4. Also 6A and 8A copperweld.
3. Ensure that adequate supply of commonly used pole sizes are available in each district. Common pole sizes: 6/30, 5/35, 5/40 and 4/45.
4. Ensure that Cooperative has an adequate supply of transmission and distribution hardware such as crosarms, pole top pins, suspension insulators, etc.
5. Ensure that each district has an adequate supply of gasoline and diesel for Cooperative vehicles. The following is a list of available fuel vendors for each district.

Fuel Availability

<u>District</u>	<u>Service Station</u>	<u>Location</u>	<u>Telephone #</u>
Texarkana		Fills 500 gallon gas tank & 500 gallon diesel tank at Headquarters	870-774-9151 870-774-6113
	Red River Oil Derrick Maynard	700 Plum St., Texarkana, TX 75501	903-293-9628 903-793-3103
De Queen	Sevier County Farmer's Cooperative	717 N. Lakeside De Queen, AR	870-584-3041
	Plaza 66	816 Collin Raye Drive De Queen, AR	870-642-7600
	Discount Tire & Alignment	129 US 71 De Queen, AR	870-642-5100
	Tires Plus	1369 W Collin Raye Dr De Queen, AR 71832	870-642-847
Nashville	Woodruff Distr. Co	Fills 500 gallon gas tank & 500 gallon diesel tank at Nashville District office	870-845-4884 870-845-7732
	Woodruff Distr. Co. Ronnie Woodruff	Office number for fuel jobber	870-845-7732
	Buddy's Quick Stop	500 Runnells St. Mineral Springs, AR	870-287-4248
Bradley	Deaton Oil. Co. W 16 th St. Hope, AR 71801	Fills 500 gallon gas tank & 500 gallon diesel tank at Bradley District Office	870-777-2124
	M&M Quick Stop	Highway 29 North Lewisville, AR	870-921-5739
	Stop N Shop	Highway 29 South Bradley, AR	870-894-3400

Material and Equipment
Availability and Location

The Cooperative strives to maintain an adequate inventory of poles, distribution transformers, line hardware and other equipment in all four districts necessary to construct, maintain and repair the transmission and distribution system throughout its designated service area. In such cases where this inventory is insufficient to repair the electrical system during severe thunderstorms, ice storms, tornadoes or other contingencies, Cooperative operations personnel shall seek the following sources for additional material:

1. If additional material is required, first check with other Cooperative District offices or Texarkana.

Texarkana Headquarters 870-772-2743

- George Wall Home 870-772-9691; Cell 903-278-2978
- Bobby Fenton Home 870-772-8924; Cell 903-826-1076
- Scott Kennedy Home 903-832-1183; Cell 903-278-6326
- Jeremy Lindsey Cell 903-748-2159

De Queen District Office 870-642-2737

- Jimmy McCoy Home 870-642-6681; Cell 870-584-6375

Nashville District Office 870-845-1313

- Randy Watts Cell 903-826-1078

Bradley District Office 870-894-3329

- Dickie Morton Cell 870-904-0737

2. If additional material is required, check with other Cooperatives, investor-owned utilities or with the Arkansas Statewide Organization

<u>Organization or Cooperative</u>	<u>Telephone number</u>
Arkansas Electric Cooperatives, Inc. (Day)	800-482-1277
Arkansas Electric Cooperatives, Inc. (Fax)	501-570-2205
Arkansas Electric Cooperatives, Inc. (Night)	501-562-5940
Kenny Howard, AECl	501-351-0128 (cell)
Ashley Chicot Electric Cooperative	501-853-5212
C&L Electric Cooperative	501-628-4221
Carrol Electric Cooperative	501-423-2161
Clay County Electric Cooperative	501-857-3521
Craighead Electric Cooperative	501-932-8301
Farmers Electric Cooperative	501-523-3691
First Electric Cooperative	501-982-4545
Mississippi County Electric Cooperative	870-763-4563
North Arkansas Electric Cooperative	870-895-3221
Ouachita Electric Cooperative	870-836-5791
Ozarks Electric Cooperative	479-521-2900
Petit Jean Electric Cooperative	501-745-2493
Rich Mountain Electric Cooperative	479-394-4140
South Central Electric Cooperative	870-246-6701
Woodruff Electric Cooperative	870-633-2262
SWEPCO (Texarkana)	903-223-5705

3. Check with electrical distributors and equipment vendors for additional material.

<u>Business or Individual</u>	<u>Telephone number</u>
Jonathan Oliver	504-570-2200
Curtis Stout	318-636-7777
Doug McDonald (C. Stout)	318-377-8570
Albert Tucker (C. Stout)	318-377-8570
Stuart C. Irby (Little Rock)	800-467-4729
Wholesale Electric Supply (Texarkana)	903-794-3404
Randy Bearden (Wholesale)	H 870-774-7577; C 903-824-5091
David Dowd (Wholesale)	H 870-774-4609
MDR-Heath Barger	502-920-2009
Jackie Peach (General Foreman)	501-860-4720
Evers Electric (Clint Evers) –no contract	870-863-4494
Tony Rose (Trose@techline-inc.com)	C 501-231-6465
Techline Inc.	800-211-0275
Christy Roberson (Roberson@irby.com)	318-426-0328 (business)
Jeremy Perry	936-634-4923 (business)
McFarland Cascade	877-448-0272
Carpender Pole (Will Hammonds)	C 601-519-6132

Southern Electric Corporation of Mississippi (Contract on file)

4374 Mangum Dr.
P.O. Box 320398
Flowood, MS 39232
Fed. ID # 64-0732376
Contact Information:

Gary Blakeney

Chief Operating Officer
Office: 601-939-2333
Cell: 601-842-7022
Email: gary.blakeney@secofms.com

Blake Everett

Operations Manager
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Donovan Guilbeau

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Cell: 601-842-6873
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Jeff Wedgeworth

Project Manager
Cell: 601-278-3875
email: jeff.wedgeworth@secofms.com

Buddy Burkes

Marketing Manager
Cell: 601-502-6059
Email: buddy.burkes@secofms.com

Josh Smith

Estimator/Project Manager
Cell: 334-341-7126
email: josh.smith@secofms.com

SOUTHWEST ARKANSAS ELECTRIC
COOPERATIVE CORPORATION

SAFETY

SOUTHWEST ARKANSAS ELECTRIC COOPERATIVE CORPORATION EMERGENCY RESTORATION PLAN

SAFETY

Southwest Arkansas Electric Cooperative Corporation recognizes that in carrying out its corporate responsibility within its service area, it is responsible for the promotion of safety among its employees and the public. Because of this responsibility, the Cooperative is interested in providing safe working conditions for its employees and authorizes and directs the President to provide for the participation in safety and job training programs. Further, the Cooperative will furnish employees tools and equipment that meet safety standards and specifications. Also, the Cooperative stresses its responsibility of providing reasonable safeguards to protect public life and property.

PUBLIC SAFETY IN THE WORK AREA

- A. Work area protection is the adequate safeguarding of protecting of pedestrians, motorists, utility workmen and equipment by the use of adequate barriers, warning signs, lights, flags, traffic cones, high-level standards, barricade rope or flagmen on approaches to work areas, excavations, open manholes or parked equipment.
- B. Work area protection is accomplished by the use of good informative and protective devices, keeping in mind that a safe installation requires the use of these devices in relation to the location of the workmen and the equipment involved. The use of these devices must be coupled with proper planning, design, installation, inspection, maintenance and the use of good common sense. It is of the utmost importance that the work area be properly identified and that warning devices say what they mean, to convey the message to the traveling public well in advance of arrival at the work area.
- C. The public must be warned in advance, then regulated and guided safely through or around the work area. Proper work area protection shall be planned to insure the safety and protection of the public, the workmen and the equipment.
- D. The possibility of accidents occurring is greatly minimized by proper planning, design, installation, operation, and maintenance, coupled with the use of common sense.

EQUIPMENT

- A. Only those signs, standards, barricades, flags and cones that conform to state or local codes shall be used.
- B. All state and local traffic codes shall be followed when providing work area protection.
- C. During night operations or in periods of reduced visibility special precautions shall be taken. Adequate warning equipment, which may include flashing lights, flares or area illumination, shall be used.

- D. Warning devices and equipment shall be removed as soon as the hazard is eliminated.
- E. Warning devices and equipment not in use shall be stored in a proper manner or shall be removed from the work area.

FLAGMAN

- A. Flagmen or other appropriate traffic controls shall be used whenever there is any doubt that effective protection can be provided by signs, signals and barricades.
- B. Flagmen shall wear a red or orange warning vest or other garment. Warning garments worn at night shall be of a reflectorized material.
- C. Flagmen using hand-signaling equipment shall ensure that signals provide sufficient warning to protect themselves and the work site.
 - 1. Signal flags shall be red and at least 24 inches square.
 - 2. Sign paddles (Stop and Slow) shall be on a 6-foot staff.
 - 3. In periods of darkness or reduced visibility, read lights shall be used.
- D. Flagmen shall place themselves in a protected position to reduce possibility of injury from traffic.
- E. Flagmen shall insure they can fully observe the operation and shall guide vehicular traffic in such a manner as to minimize the possibility of accidents or injury.
- F. When flagmen are used at both ends of a job site, reliable communications or prearranged signals shall be used to insure proper traffic flow.
- G. Flagmen shall face traffic when giving signals.
- H. Flagmen shall give positive, direct signals that leave no doubt as to their meaning.

GENERAL PRECAUTIONS

PROTECTING THE PUBLIC

- A. When an employee needs additional light while working on the premises of a customer, he shall use a battery powered flashlight or lantern or an approved, properly guarded electrical extension light. A flame light shall not be used.
- B. The public shall be kept away from locations where work activity presents hazards.
- C. Hazards such as manholes, pole holes, trenches or excavations shall be protected, and where exposed to traffic, protected with warning devices that are lighted at night with lanterns, flares, or flashers so located as to be visible to traffic and the public.

- D. When it is necessary to warn traffic, flagmen or warning devices shall be stationed far enough on each side of the hazard to give vehicles enough time to stop and comply with state and local regulations. When flagmen are used, they shall wear red or orange warning garments of reflectorized material.
- E. When it is necessary to leave reels, equipment or other obstructions unattended, the following precautions shall be taken:
 - 1. They shall not be left adjacent to fire plugs or directly in front of entrances to private or public property.
 - 2. They shall be locked, blocked or otherwise secured.
 - 3. They shall be adequately protected by approved warning devices.
- F. When chiseling, chipping or welding is done in locations where others are exposed to eye hazards, shields shall be placed around the work or the area shall be roped off or barricaded.

PROTECTING EMPLOYEES

- A. Before commencing any work that may be hazardous, care shall be taken to establish a safe procedure. Where more than one employee is engaged in the same job, all employees concerned shall understand the procedures to be followed. (Tailboard conference.) Under no circumstances shall safety be sacrificed for speed.
- B. Employees shall always place themselves in a safe and secure position. The care exercised by others shall not be relied upon for one's own protection.

REPORTING HAZARDOUS CONDITIONS

- A. When an employee observes a hazardous condition that may cause injury or property damage or interfere with services, regardless of the department in which the condition exists, he or she shall report it promptly to a proper authority and when necessary guard it.
- B. An employee who receives a report of any hazardous emergency condition shall obtain the name of the informant, the exact location and the nature of the trouble. He or she shall immediately refer this information to the person having responsibility for such matters.

GUARDS

- A. No guard shall be removed from any machine or piece of equipment except to perform required maintenance.

SOUTHWEST ARKANSAS ELECTRIC COOPERATIVE CORPORATION
EMERGENCY RESTORATION PLAN

EMPLOYEE SAFETY

- A. The Cooperative's responsibility shall include:
1. Provisions for adequate training.
 2. Safe working conditions and safe methods to enable the personnel of the Cooperative to carry out efficient and safe work as outlined in this manual.
- B. The management and board of directors shall assume the responsibility to see that the personnel are at all times kept familiar with the general and special precautions and instructions applying to their work. (Each employee shall be furnished with a copy of this manual.)
- C. The management and board of directors shall consider, and within the limits of their ability and authority, establish the following fundamentals of a good safety program:
1. Proper management attitude.
 2. Elimination of physical hazards.
 3. Control of work habits and practices.
 4. Organize for safety.
 5. Provide proper educational program.
 6. Establish sound engineering practices.
 7. Enforcement of safety rules.
 8. Provide adequate safety equipment.
- D. All new employees shall have a physical examination at the time of hiring and in accordance with all state and federal statutes. Employees shall be given a physical examination at the discretion of management.
- E. It shall be the responsibility of Supervisors and Foreman to see that:
1. All working conditions are safe.
 2. All tools and equipment are in good condition.
 3. Work is carried out in accordance with the instruction in this manual.
 4. No one shall be permitted to do any work without using the proper safeguards against all hazards that might be encountered.
 5. No employee shall be given a job which the employee is not capable of doing safely.
 6. All employees are expected to take an active part in the safety program.
 7. Tools which an employee may bring on the job are carefully inspected and conditioned.
 8. The foreman shall discuss the job with the crew and designate the proper method for the job and shall see that his or her instructions are followed.
- F. It shall be the responsibility of each individual to so act as to provide:
1. Safety to himself/herself.
 2. Safety to fellow employees.
 3. Protection to the public.
 4. Protection to Cooperative property and the property of others.
- G. Should the employee notice an unsafe condition, he or she shall not start work without first calling the attention of the foreman or supervisor to those conditions.

Basic Safety Rules

All safety rules shall be observed with particular emphasis on the following:

1. Rubber Gloves:

- a. Rubber gloves shall be worn by all personnel from ground to ground when performing work on any pole or structure carrying energized conductors.
- b. Rubber gloves shall be put on before any energized URD compartment or enclosure (including service pedestals) is opened and kept on until the compartment or enclosure is closed and locked or until all equipment is properly grounded, barricaded, and shielded.
- c. Rubber gloves must be worn at all times when using hot sticks of any kind.
- d. Rubber gloves must not be used for direct hand contact on voltages above 5,000 volts except while using properly rated gloves and sleeve from fully insulated aerial devices.
- e. Personnel handling butts of poles or any object that might come in contact with energized conductors or apparatus must wear rubber gloves.

2. Grounding:

- a. All de-energized conductors and apparatus must be grounded with adequate ground jumpers on all sides as close to work areas as possible before further work on conductors or apparatus involved is begun. Line jumper is not to be considered as an adequate ground.
- b. Ground jumpers must be attached and detached with hot stick.
- c. All conductors including floating, fallen, or broken conductors must be regarded as energized until properly de-energized, tested, and grounded.
- d. Pole-setting truck must be grounded when setting or pulling poles in or near energized lines. Points of disconnection must be identified by approved ground jumper installed by each and every crew working on this section regardless of ground previously installed by any other crews. These grounds shall not be removed by anyone other than the crew installing them.
- e. Hazardous Energy Control: APPA Safety Manual, Section 626, parts A, B, and C. If a system operator is in charge of the line or equipment and their means of disconnections, the following steps shall be taken:
 1. A designated employee requests that the system operator de-energize the equipment. This designated employee becomes the employee in charge and is responsible for the clearance.
 2. All means through which sources of electric energy may be supplied to the lines and equipment shall be opened and rendered inoperable, when its design does not permit, and tagged to indicate that employees are at work.
 3. Unless its design does not permit, automatic and remote switches that could cause opened disconnecting means to close shall be tagged at the point of control.
 4. Tags shall prohibit the operation of the disconnecting means and indicate that employees are at work.
 5. After the above steps have been taken, the equipment to be worked shall be tested to ensure it is de-energized. Protective grounds shall be installed (refer to OSHA Standard 29CFR 1910.269(n)).
 6. The equipment may now be worked as de-energized.
 7. If two or more independent crews will be working on the same lines or equipment, each crew shall independently comply with the above steps.
 8. Transfer of clearance shall be communicated to the system operator and the employees in the crew. The new employee in charge shall now be responsible for the clearance.
 9. Clearance release requires the employee in charge to notify the employees under his direction that the clearance is to be released, determine that employees in the crew are clear of overhead lines and equipment, determine that protective grounds have been removed, report this information to the system operator, and release the clearance.

10. The person releasing the clearance shall be the same person who requested it, unless the responsibility has been properly transferred.

11. Tags may not be removed unless the associated clearance has been released.

12. Only after all the above have successfully accomplished, may the lines and equipment be re-energized.

f. If no system operator is in charge of the lines or equipment and their means of disconnection, one employee in the crew shall be designated as being in charge of the clearance. The employee in charge shall then take the place of the system operator and complete steps (2) through (13) above.

g. If only one crew will be working on the lines or equipment and if the means of disconnection is accessible and visible to and under the sole control of the employee in charge, then steps (1), (3), (4), (8), and (12) under (e) in this section need not be taken.

h. For more information, refer to OSHA Standards 19CFR 1910.269 and 29 CFR 1910.147.

3. Operating of switching devices

a. An approved hot stick must be used to open or close O.C.R.'s cut-outs, switches or jumpers being used as a disconnecting device.

4. Operations of cooperative motor vehicles

a. Cooperative personnel must drive cooperative vehicles in accordance with state traffic laws.

5. APPA Safety Manual, Section 6, Parts B and C.

a. At least two employees will be present while the following types of work are being performed (except as noted in © below).

1. Installation, repair or removal of de-energized lines if an employee is exposed to contact with other parts energized at more than 600 volts.

2. Installation, repair or removal of lines energized at more than 600 volts.

3. Installation, repair or removal of equipment such as transformers, capacitors and regulators, if an employee is exposed to contact with parts energized at more than 600 volts.

4. Work involving the use of mechanical equipment, other than insulated aerial lifts, near parts energized at more than 600 volts.

5. Any other work that exposed an employee to electrical hazards greater than those listed above.

b. Two employees do not need to be present in the following operations:

1. Routine switching of circuits (if it can be done safely).

2. Work performed with live-line tools if the employee is positioned so that they are not within reach of or otherwise exposed to energized parts.

3. Emergency repairs necessary to safeguard the general public:

6. Testing poles

a. Any employee, before climbing any pole, shall take every possible precaution to insure that it is safe to climb or work upon. If pole is to be dismantled or direction of strain is to be changed, pole must be tested below ground-line or safe guarded by adequate supports. Also, anchor rods must be checked.

7. No person will be permitted to work while under the influence of alcohol or drugs. It is recommended that no employees indulge in drinking or take drugs that could impair judgment or mote skills while off duty during an emergency.

FEMA

FEMA identifies the Categories of Work as follows:

Emergency Work

Category A: Debris Removal

Clearance of trees and woody debris, building wreckage, sand, mud, silt, vehicles and other disaster-related material deposited on public property.

Note: This includes tree clearing from power lines and rights-of-way. It may include poles.

Category B: Emergency Protective Measures

Measures taken before, during and after a disaster to save lives, protect public health and safety, and protect improved public and private property. **Clearing roads, protecting lines and electric control centers are included. FEMA assumes that this period will last only 70 hours so longer times will require your proof that service was not restored until later.**

Note: Notify TEC and/or OEM if the emergency time is passing the 70 hour time limit.

Notes: 1) In Categories A & B, FEMA assumes that Co-op employees would be doing this work during regular duty hours, so they only pay overtime for any cooperative employee doing this work. However, FEMA will pay all costs for contractors or temporary hires to do this work.

2) FEMA requires "Monitors" to supervise debris contractors. Cooperatives should provide this supervision to insure re-imbursement of time and material contracts. Monitor expense is re-imbursable expense. Daily diaries should be kept on all supervision of time and material contractors.

Permanent Work

Category C: Roads and Bridges

Category D: Water Control Facilities

Category E: Buildings and Equipment

This category includes repair or replacement of buildings, including their contents and systems, heavy equipment, and vehicles.

Category F: Utilities

Repair of water treatment and delivery systems, **power generation facilities and distribution lines**, and sewage collection and treatment facilities.

Note: This is where most Electric Cooperative work is included.

Category G: Parks, Recreational Facilities and Other Items

Repair and restoration of parks, playgrounds, pools, cemeteries, beaches and other work not characterized adequately in Categories A-F above. Natural or unimproved areas are not eligible.

Notes: 1) Unlike Categories A & B, FEMA will pay all costs of the Federal share (which means 75% of the cost of regular time for employees, equipment and contractors). **(2) FEMA expects that all contractors have signed formally bid contracts.** However, if a Cooperative bids 10 contractors with 10 different bids and needs all 10 contractors, the Co-op may use them, BUT needs to retain bidding documents and have an explanation of the Co-op's bidding procedures.

FEMA will NOT allow a cost-plus contract. They do NOT like time and material contracts past the first 70 hours. They prefer unit cost or lump-sum contracts. Co-ops may be able to keep contractors on a unit cost basis, especially continuing contract contractors. If Co-ops keep contractors on time and material contracts (at their own risk), Co-ops **MUST** provide daily supervision, preferably with diaries, to insure that productive work is being performed. All work done after service is restored, especially that triggered by Codes and Standards, should be competitively and formally bid.

CODES AND STANDARDS

When a facility must be repaired or replaced, FEMA may pay for upgrades that are necessary to meet specific requirements of current Codes and Standards. **The National Electric Safety Code is the Co-op's determining code. RUS Construction Standards and Bulletins and Co-op- specific written Standards will prevail.** Local Co-op Standards must be written and approved by at least the Manager/CEO (Board approval is recommended) in advance of the disaster and totally followed on a day-to-day basis. A sample "Standard" is attached.

FEMA's specific rules are:

For the cost of the upgrade to be eligible, the Code or Standard requiring the upgrade must:

1. Apply to the repair work being performed.
2. Be appropriate to the pre-disaster use of the facility.
3. Be reasonable, formally adopted in writing, and implemented prior to the disaster declaration date.
4. Apply uniformly to all facilities of the type being repaired within the applicant's jurisdiction.
5. Be enforced during the time that it was in effect.

DECLARATIONS

The President declares the emergency by county after initial damage assessment is done by State and County officials. FEMA requires approximately \$1.11 per capita of state damage and \$2.20 per capita of county damage to justify a declaration. Often it is the Electric Cooperatives that have sufficient damage to allow a county to be declared. Once a county is declared, FEMA record keeping should be initiated. Expenses in non-declared counties must be kept separate. Cost records by declared county are not required and may increase internal Co-op accounting costs.

PROJECT WORKSHEETS

FEMA authorizes re-imbursement by preparing one or several Project Worksheets (PW). Each Category of Work has its own PW(s). They may cover a specific project or a time period. Co-ops do not keep property records by county, so PW's need NOT be prepared by county. PW's over \$1,000,000 go to FEMA's national office for approval and will be delayed.

DOCUMENTATION

Assign work order numbers for each Category of the disaster as soon as the possibility occurs for a FEMA-declared event. Verify the proper allocation of costs to these Work Orders.

Backup documents are required for ALL costs. Undocumented expenses will NOT be re-imbursed. Start early collecting all backup, including bills, invoices and timesheets showing each worker and contract employee and their equipment, including the hours worked, where worked (not just "Storm") and what was done. This is the source document for a Co-op's claim. Each should be reviewed and approved by the supervisor as legitimate.

Use the FEMA spreadsheets for time, equipment and employee benefits. A Co-op's computer records are 'as paid,' FEMA records are 'as eligible.' Employees may be reassigned and FEMA authorizes only the rate of the normal employee doing the assigned job, not necessarily what the employee is paid. Sometimes FEMA accepts only overtime costs. Some folks may not be working on the

disaster. A spreadsheet of contractor invoices and expenses will suffice. Co-op computer printouts of material charges are acceptable.

FEMA thinks Co-op storeroom/warehouse employees' time charges are loaded into material charges and will disallow their time and equipment costs. Work with your Co-op's Project Officer to make this happen as an adder or multiplier.

Each Co-op employee thinks their only job is to get the lights back on as soon as possible safely, but this is not the case if a Co-op expects FEMA reimbursement. FEMA IS NOT INTERESTED IN GETTING ELECTRIC SERVICE RESTORED, EXCEPT TO EMERGENCY FACILITIES. BUT THEY ARE VERY INTERESTED IN PROPERTY DAMAGE AND CONTROLLING THESE COSTS, NOW AND IN THE FUTURE.

MATERIAL

In normal line construction, material costs approximate half the total project cost. But in disasters, labor costs are much larger. Each Co-op has rigorous material control practice in effect.

DO NOT reduce inventory tracking anytime during a disaster or it jeopardizes reimbursement. Material issue forms may prove clumsy during the height of confusion, but Cooperatives still have the responsibility for proper material control. Co-ops may elect to switch from individual material issue tickets that show what was issued and where it was going to "as built" staking sheets with "picking lists" generated from the material units. This is a valid method but must be properly maintained.

STAKING SHEETS

Staking sheets are a Co-op's normal record of construction expenditures and should be maintained throughout the disaster. It is very easy to ignore them at first and think that they can and will be done later, after the fact. Co-op staking engineers are a valuable resource to guide foreign crews, supervise construction, coordinate work and locate damage. All are reimbursable except to locate damage. Their time needs to be either a part of the permanent repair effort and/or recording in final staking sheet form, the repairs made or to be made. Staking sheets are the accounting vehicle that identifies the work done, where it was done and what material was used. These important and necessary documents allow funds to be moved from 'Construction Work In Progress' to 'Plant.' It can be easier to prepare them daily covering work done. If not, as soon as possible, apply the necessary resources to prepare them on all work done. Consider using other Co-op staking engineers or engineering consultants to actually prepare the staking sheets, not lists of work done or needed to be done. FEMA will not pay for looking for damage or surveys.

DONATED RESOURCES

Members, charitable organizations, the National Guard or friends and family donate valuable time, equipment and even food or it's preparation to help restoration efforts. FEMA will indirectly reimburse Co-ops for these donations IF the Co-op keeps adequate records of them. **Someone in the Co-op organization (Member Services, Manager, Disaster Coordinator) should encourage help and maintain lists of who did what, hours spent each day and what equipment or food was donated. Other than belated thank you letters, and if the FEMA Project Officer is told, this log will be used to calculate the Donated Resource credit the Cooperative will receive to reduce the 25% share of the project cost.**

ADMINISTRATIVE ALLOWANCE

The Stafford Act stipulates that each grant recipient (Co-ops) be provided an allowance to meet some costs of administrating and accounting for this grant. The allowance covers the direct and indirect costs of administering the FEMA grant. Examples of appropriate activities are:

- Identifying damage;
- Attending Applicant Briefings;
- Completing forms necessary to request assistance;
- Establishing files and providing copies of documentation;
- Assessing damage, collecting cost data and developing cost estimates;
- Working with State (OEM) officials during project monitoring and final inspection;
- Preparing for audits.

Allowance is determined from a sliding scale found in FEMA manuals but approximates 2%. By law, the Cooperative is not required to submit documentation for its administrative allowance. .

Note: There is an Office of Management and Budget circular discussing Private Non-Profits (PNP's), such as Electric Cooperatives, administrative costs and accounting requirements. It is OMB Circular A-122 – "Cost Principles for Nonprofit Organizations" and can be found on the web at

<http://www.whitehouse.gov/omb/circulars/index-education.html>.

FEMA ADVANCE FUNDS

FEMA rules require Co-ops to place Advance Funds and Immediate Needs Funds in NON-interest bearing accounts. Any interest over \$100 earned in a calendar year must be returned to FEMA.

ADVANCED FUNDS

FEMA allows 75% of their 75% share of approved funds to be advanced if it is needed. Co-ops must explain the need (such as needed to continue repairs and restoration). Co-ops can get ALL their FEMA funds when 75% of the PW work is done, if it is requested.

IMMEDIATE NEEDS FUNDS (INF)

This early payment is intended for financial hardships. A Co-op's request for INF is approved by the Federal Coordinating Officer (FCO) and the State Coordinating Officer (SCO).

EXPEDITED PROJECT WORKSHEET

This is a method for funds to be advanced early in lieu of INF. This advances a Co-op 75% of the PW amount (FEMA's share) early.

PROJECT WORKSHEET PROBLEMS

Keep a copy of the original PW and compare it to the FEMA prepared PW. Co-ops may have to request this from OEM. Contact OEM over any changes. FEMA is required to explain any changes to grant fund recipients.

TIME EXTENSIONS

Emergency Work (Categories A & B) time limits are 6 months to get work done, with a possible 6 month extension granted by state OEM. Permanent work time limits are 18 months, with up to 30 months possible extension granted by OEM. Extension requests must be in writing to OEM and should be done BEFORE the time limit has expired. FEMA may require money returned if done after time limit (without approved extension).

ADDITIONAL DAMAGE

FEMA expects any additional damage, not covered on approved PW's, to be reported within 30 days after Applicant Briefing meetings. In a large disaster, Co-ops may not have even found all damage by that time. Keep OEM notified as more damage is discovered.

OVER-RUNS

Any changes in Scope or possible over-runs should be reported to OEM as soon as possible. Over-runs are scrutinized for possible non-reimbursement.

HAZARD MITIGATION

There are two types of Hazard Mitigation eligible for re-imbusement by FEMA. One is theoretically available anytime (Section 404) and it is administered at Texas Emergency Management. The other is specific disaster-related (Section 406) and approval must be obtained during or shortly after the disaster, with completion to be done within six months.

Hazard Mitigation, Section 406

Projects seeking approval under Section 406 need to strengthen the electric system so that less damage should be incurred in future, similar disasters.

Unfortunately, Co-ops need to identify these desired improvement projects to the FEMA Project Officer before a Category "F" PW is approved. Cost justification is not necessary at that time.

Section 406 is a source for funding of cost-effective measures that would reduce or eliminate the threat of future damage to a facility damaged during a disaster. **These measures MUST apply only to the damaged elements of a facility in the current disaster, rather than to other, undamaged parts of the facility or the entire system.**

Section 406 mitigation measures are considered part of the total eligible cost of repair, restoration, reconstruction, or replacement of a facility. Co-ops may not get funds approved and spend them on alternate projects or improved projects if a new replacement facility is involved.

Upgrades required to meet applicable Codes and Standards are NOT "mitigation measures" because these measures are a part of eligible restoration work. However, some Cooperatives have had ruined copper wire replacement done as 406 mitigation. It should have been Category "F," Codes and Standards.

PROJECT GUIDANCE – FEMA RR POLICY # 9526.1, attached (signed August 13, 1998) Hazard Mitigation Funding Under Section 406 (Stafford Act)

In this internal policy, several suggested appropriate projects are listed. The electric power distribution recommendations are:

“E.” ELECTRIC POWER DISTRIBUTION:

- 1) Pad mounted transformers – elevating above the base flood elevation, or lowering them or burying them in non-flood, high wind areas;**
- 2) Using multiple poles to support transformers;**
- 3) Burying lines;**
- 4) Anchoring or otherwise protecting fuel tanks from movement in a disaster;**
- 5) Replacing damaged poles with higher class pole, or with a different material pole such as replacing wood poles with spun concrete;**
- 6) Adding guy wire or other additional support to power lines;**
- 7) Removing large diameter communications lines from power poles;**
- 8) Providing looped distribution service or other redundancies in the electrical service to “critical facilities.”**

FEMA’s definition of “critical facilities” has been defined as:

- Fire Departments
- Police Departments
- Hospitals
- Nursing Homes
- Waste Water Treatment Plants
- Potable Water Treatment Plants
- Emergency Operations Centers**
- Power Generation Plants

The Electric Cooperative’s “Emergency Operations Center” may well qualify for these funds.

ELIGIBLE FACILITY

Mitigation funds are available only to damaged facilities in the current eligible declared disaster. Poles that were broken in a previous storm, but not the current storm, are NOT eligible. The only possible exception is when one pole of a highway crossing broke and the highway was blocked; mitigation may allow replacement of both structures and wire with added strength.

FEASIBILITY

Any project must be technically feasible and cost effective. Projects that would cost no more than 15% of the actual damaged facility cost can be approved by the PAC. Projects that cost less than 100% of the damaged facility cost can be approved by the FEMA Public Assistance Officer after review by the 406 Hazard Mitigation Officer on site for the current disaster.

How FEMA views a Co-op's MITIGATION project for cost justification

FEMA performs a Cost vs. Benefit Analysis on mitigation projects. It goes like this.

1. The Co-op describes the proposed project.
2. The Co-op costs out the proposed project.
3. Determine the cost of the completed repair of the damaged section to be improved.
4. Calculate the average cost per pole of the disaster (total cost / # poles broken).
5. If project cost is less than 15% of average repair cost of facility, project will be approved by local PAC.
6. If project cost is less than average repair cost of facility, project should be approved.
7. Dig out previous costs to repair same line section.
8. FEMA will apply costs in "present worth" spreadsheets to justify expenditure. This favors recent repair costs but does give some weight to previous costs.
9. When project is approved, PW will be revised to include mitigation repairs.

EXAMPLE

For the current disaster, the average cost of each broken pole is \$2,200. The cost estimate to replace 2 poles, stronger wire and anchors crossing highway is \$4,300. Project should be approved. (2 poles x \$2200= \$4400 is greater than the mitigation project cost.)

FEMA 9526.1 Hazard Mitigation Funding Under Section 406 (Stafford Act), Appendix (4/29/98)

The following potential mitigation measures (reference: See Paragraph 7.c. of the policy) are determined to be cost-effective if they:
do not exceed 100% of project cost,
are appropriate to the disaster damage,
will prevent future similar damage,
are directly related to the eligible damaged elements,
do not increase risks or cause adverse effects to the property or elsewhere,
meet standards of good professional judgment, and
otherwise meet requirements stipulated in the policy on Hazard Mitigation Funding Under Section 406 (Stafford Act), RR Policy Number: 9526.1 This list will continue to be evaluated and will evolve over time as new information becomes available.

1. Infrastructure Systems:

A. Drainage/crossings and bridges

1. Drainage structures - When drainage structures are destroyed, replacing the structure with multiple structures or a larger structure. However, structures need to be considered with regard to a total drainage system and should not be replaced without a watershed hydrology study.

2. Low span bridges - Demolish/replace damaged low span bridges or other crossings that act to collect debris, increase flooding, and/or can be severely damaged.

3. Low-water crossings - Where traffic counts are low, replacing bridges with carefully placed low-water crossings.

4. Debris traps - Installing traps upstream of a culvert to prevent culverts from becoming clogged by vegetation.

5. Gabion baskets, riprap, sheetpiling, and geotextile fabric installation - Installation to control erosion.

6. Headwalls and wing walls - Installation to control erosion.

7. Restraining cables on bridges - Installation of cables to restrain a bridge from being washed off piers or abutments.

B. Sanitary and storm sewer systems

1. Access covers - When feasible, access covers can be elevated to the

hydraulic grade line. There are a number of devices that prevent infiltration into access holes.

2. Sewer lines -

Repair, lining or encasement of damaged sections to prevent infiltration or structural collapse.

Relocating sections of damaged sewer lines to avoid damage from slip-out on roads or to avoid damage to lines crossing a stream or drainage area.

3. Pump stations -

Equipment or controls in a pump station that are subject to damage from the 100-year flood can be elevated. Pump station buildings can be dry floodproofed.

Installation of camlocks, transfer switches, and electrical panels to ease the hook-up of portable emergency generators.

C. Wastewater treatment plants

Elevation of equipment and controls that can be elevated easily .

Dry or wet floodproofing of buildings.

D. Potable water

1. Well systems -

Reduction of infiltration and subsequent contamination of the aquifer. Methods include casing the well or raising the elevation of the well head.

Elevation of controls, mechanical equipment, or electrical service associated with use of the well to protect them from flood damage.

2. Raw water intakes - Strengthening to prevent damage from erosion, scour and flood debris.

3. Water treatment plants -

Elevation of equipment and controls that can be elevated easily.

Dry floodproofing.

E. Electric power distribution

1. Pad-mounted transformers - elevating above the base flood elevation, or lowering them or burying them in non-flood, high-wind areas.

2. Using multiple poles to support transformers.

3. Burying lines.

4. Anchoring or otherwise protecting fuel tanks from movement in a disaster.

5. Replacing damaged poles with higher-class pole, or with a different material pole such as replacing wood poles with spun concrete.

5. Adding guy wire or other additional support to power lines.

7. Removing large diameter communication lines from power poles.

8. Providing looped distribution service or other redundancies in the electrical service to critical facilities.

F. Above ground storage tanks - Strengthening or stiffening base connections.

Underground pipelines - Installation of shut-off valves (based on accepted practice) so that damaged sections of pipeline can be isolated.

2. Buildings - General

A. General effects of flood damage -

Buildings substantially damaged under NFIP regulations - Repair, dry floodproofing, or elevation so they are protected to meet minimum NFIP regulations. If the building is replaced, rather than repaired, no Section 406 hazard mitigation funding is appropriate.

Buildings not substantially damaged under NFIP regulations - If technically feasible, dry floodproofing. Electrical panels, machinery rooms, emergency generators can be elevated above the BFE or dry floodproofed. If dry floodproofing is not feasible, these buildings should be wet floodproofed.

B. Roofs - Because the failure of a roof covering can lead to extensive damage to contents and operation, damaged roofing should never be replaced with the same material unless the cause of failure has been identified and corrected.

Low slope roofs - Replacement of the entire roof with a roof covering with a secondary membrane and a fully adhered roof covering that is not subject to progressive failure, such as a modified bitumen. Mechanically fastened insulation or membranes are not acceptable.

Curbing and flashing - Single membrane and built up roofs can be susceptible to progressive failure from flashing and curbing failure. These items should be inspected and repaired or replaced. National Roofing Contractors can provide technical advice.

Ballasted roof systems - Roof systems with gravel or other small ballast should be replaced with ballast of sufficient weight that it does not become airborne causing increased damages.

Roof-mounted equipment should be attached to a foundation that will resist expected wind forces.

Hurricane clips - Hurricane clips may be recommended for use in high-wind areas.

C. Shutters - In areas subject to hurricane winds, shutters are appropriate in the following areas:

All windows on critical facilities such as hospitals.

The lower floors of buildings with windows most likely to be struck by debris. Windows of buildings with very high value contents that can be damaged by water (such as libraries and document centers).

Windows of buildings subject to debris from nearby ballasted roofs, metal buildings, manufactured homes or other structures likely to fail and result in debris.

D. Anchoring - Anchoring of mechanical and electrical equipment in critical facilities.

E. Flexible piping - Installation of flexible piping at pipe/conduit connections to equipment to accommodate expected movement in an earthquake.

F. Bracing -

Bracing of overhead pipes and electrical lines to meet seismic loads.

Bracing interior walls and partitions that could collapse, preventing safe exit from the building.

Bracing parapets, anchoring veneer or cladding, and bracing other non-structural elements that could collapse and cause injury or block safe exit of a building during an earthquake.

Replacement of glass - Replacement of glass (with break resistant material) in mullions to prevent breakage and fallout in the event of building movement.

The quote is located in the October 31, 2000, issue of RUS Bulletin 1724D-101B, System Planning Guide, Construction Work Plans. The cite is located on Page 4 in paragraph 2:1.2.1, and reads as follows:

2:1.2.1 RUS recommends that the following values be included in the design criteria:

- ◆ The maximum voltage drop on primary distribution lines not exceed 8 volts (120 volt base) after no more than 2 stages of re-regulation beyond the substation.
- ◆ The following equipment not be thermally loaded by more than the percentages shown:
 - ◆ Power Transformers – 105% of nameplate rating;
 - ◆ Substation and Line Regulators – 100% of nameplate rating;
 - ◆ Oil Circuit Reclosers – 70% of nameplate rating;
 - ◆ Primary conductors not be loaded over 80% of their thermal rating (50% for major tie lines between substations);

- ◆ Conductors be replaced if found to contain an average of over 2 splices per phase per span in a 1 mile (1.6 kilometer) section; and
- ◆ No more than an average of 5 consumer outage hours, per consumer, per year, excluding outages caused by major storms or the power supplier, for the past 5 consecutive in any specific area.

Summary of Recommendations for Reuse and/or Disposal of Wood Utility Poles

Special Consideration – Wood Utility Poles:

Please note that burning damaged wood utility poles is **PROHIBITED**. If poles are to be chipped, they **SHOULD NOT** be used for mulch or bedding purposes. Chipped utility poles **MUST** be disposed of at a permitted Subtitle D landfill (list attached).

The following is a list of options for the reuse and/or disposal of damaged wood utility poles, beginning with the **PREFERRED** option:

REUSE:

1. The utility companies may choose to contact the landowner where the damaged utility poles are located and offer the poles to them. If this is the case and the landowner accepts the poles, they are not subject to DEQ regulation. (**NOTE:** It is recommended that, when possible, a Release Form be signed by the person who accepts the poles from the utility, and that the utility maintain a copy of such Release Form as part of its permanent records relating to disaster funds reimbursement activities.)
2. The utility company can transport the damaged poles to one of their facilities and offer the poles for reuse. Poles taken for reuse do not fall under DEQ jurisdiction or regulation. (**NOTE:** Again, a signed release form is recommended.)
3. The utility company can transport the damaged poles to a site approved by the “Emergency Disposal Site Evaluation Registry” procedure to stockpile and offer the poles for reuse from this site. The “Emergency Disposal Site Evaluation and Registry” form must be completed, submitted and approved by DEQ before a disposal site is used. The section, “Guidelines for Emergency Burning, Burial and/or Stockpiling of Solid Waste,” outlines site criteria. (This is attached as a part of the “Emergency Disposal Site Evaluation and Registry” form.)

DISPOSAL:

1. The preferred method of disposal is to dispose of the poles at a permitted Subtitle D landfill. Contact the landfill prior to transport for specific instructions. (NOTE: Permitted C and D landfills **cannot accept** the utility's wood poles for disposal.)
2. Damaged poles may be buried at an approved site using the "Emergency Disposal Site Evaluation and Registry" procedure. The "Emergency Disposal Site Evaluation and Registry" form must be completed, submitted and approved by DEQ before a disposal site is used. The section "Guidelines for Emergency Burning, Burial and/or Stockpiling of Solid Waste" outlines site criteria. Please review the criteria in this section when locating a potential disposal site. The bottom of the pit must be at least five feet (5 ft.) from known groundwater. It is preferred that the burial site be in clay or clay loam soils. The burial site **CANNOT** be in sandy soils. The local DEQ environmental specialist **MUST** visit and approve the site before it is used. Please **DO NOT** submit the form without the DEQ environmental specialist's signature. If a city or town does not own the site, the attached "Legal Access Agreement" must also be completed.

SITE SELECTION:

Local DEQ environmental specialists can assist you with finding a suitable site and complying with any state and federal environmental requirements. Staging areas and disposal sites can be located on publicly-owned property or on private property. (A sample "Legal Access Agreement" is attached in the event that the Cooperative has to use private land for a staging area or a disposal site.) All sites used as staging areas or emergency disposal sites must be registered with FEMA using the attached "Emergency Disposal Site Evaluation and Registry" form.

Additional "Legal Access Agreement" forms and "Emergency Disposal Site Evaluation and Registry" forms may be obtained from local DEQ offices (see attached list).

NOTE: If wood utility poles are to be "chipped," they **MUST** be disposed of in a Subtitle D landfill.

SAMPLE RELEASE FORM #2

I hereby acknowledge receipt of and accept full ownership of _____ used electrical poles from _____ (the "Cooperative") upon the following terms and conditions:

1. The used poles delivered hereunder consist of the following number and size:

Number of Poles	Size	Class

- 2. The handling fee for said poles is \$_____ in hand paid, receipt of which is hereby acknowledged by the Cooperative.
- 3. All poles obtained hereunder are "as is," without any warranties of merchantability or fitness for any general or particular use or purposes. I assume responsibility, at any expense, to have these poles inspected by an independent expert engaged in such testing to determine the suitability or fitness of the poles for any desired use.
- 4. I acknowledge that the Cooperative has advised me that the poles have been treated with preservatives and other chemicals that are subject to control by the EPA, and I have been advised that these poles may contain chemicals and materials that are potentially hazardous to me and any other person or thing coming in contact with these poles. I assume responsibility, at my expense, to have these poles tested to determine the existence of any such hazardous chemicals or materials. I acknowledge that the Cooperative has provided me with a copy of the EPA-approved Consumer Information Sheet relating to creosote, penta-chlorophenol and arsenic, attached as Exhibit I to this release. I further acknowledge that I have read and understand the information set forth in Exhibit I.

5. I specifically agree to hold the Cooperative harmless from any and all liability from any cause whatsoever arising out of the use of these poles subsequent to the removal thereof from the Cooperative premises, and agree to indemnify the Cooperative from any liability in any way arising from and after their removal from the Cooperative's premises. I further agree, that in the event any legal action is brought against the Cooperative arising out of the use of these pole(s) by me, any subsequent owner, or any person, claiming damages by virtue of or in any manner arising out of the use of the pole(s), or damages therefrom, that I agree to hold the Cooperative harmless from any and all costs, charges, expenses, attorney's fees and judgements which may be imposed upon or incurred by the Cooperative in any manner arising out of such claim or such litigation.

Signature: _____

Dated: _____

Acknowledged: _____
(The Cooperative)

By: _____

Environmental Considerations and Contacts FEMA and DEQ

The Federal Emergency Management Agency (FEMA) assists communities in responding to and recovering from disasters. Part of FEMA's responsibility is ensuring that the requirements of numerous environmental and historical preservation laws and Executive Orders are met. **It is necessary for any applicant receiving FEMA assistance to obtain and comply with all applicable local, State and Federal laws, requirements and permits.** Please be aware that failure to comply might jeopardize a Cooperative's eligibility to receive Federal funding.

General Debris Management:

The DEQ's principal role is to offer advice to local officials relative to the various choices available for debris management. Municipal officials are free to determine which collection and disposal option best fits their situation. In an effort to expedite the debris removal and disposal process, the DEQ has issued a document entitled "Guidelines for Debris Management." This document identifies the advantages and disadvantages of the various disposal options and provides advice concerning interim measures. Once that decision has been made, the DEQ will assist local officials in carrying out that decision.

Communities considering disposal options that include stockpiling, burying or burning are encouraged to contact the DEQ for assistance in documenting compliance with applicable Federal laws and State guidelines. In some instances, local DEQ Environmental Specialists may have already contacted local officials

Once local officials and DEQ Environmental Specialists have made contact, DEQ employees are prepared to provide technical assistance to local officials by completing the state guidelines portion of the "Emergency Disposal Site Evaluation and Registry" form. Because compliance with Federal requirements associated with historic preservation and cultural resources is outside the scope of the DEQ, you will be asked to transmit the completed "Emergency Disposal Site Evaluation and Registry" form to the OAS. The OAS will examine its maps and records, complete its certification, forward the form to the SHPO for approval and then return the form to the local official. When the "Emergency Disposal Site Evaluation and Registry" form has been returned from the OAS, local officials must maintain this form as a part of their permanent files. Upon application for reimbursement, local officials must provide this form along with all other required documentation.

Local officials who have chosen to transport debris directly to an approved landfill or other approved disposal facility (dependent on waste type) are not required to have a completed "Emergency Disposal Site Evaluation and Registry" form in their application for reimbursement.

In summary, local officials who have chosen disposal options that include burning, burying or stockpiling must document compliance with applicable Federal laws in order to be eligible for Federal reimbursement. Completion of the "Emergency Disposal Site Evaluation and Registry" form is the most direct way to accomplish this documentation. The DEQ is ready to assist you with this documentation.

Asbestos: Demolition and renovation of any commercial or public structures, regardless of asbestos content, must be coordinated with the Texas DEQ, Air Emissions Division, to

obtain a “National Emission Standards for Hazardous Air Pollutants” (NESHAP) permit. The applicant is responsible for obtaining and complying with all required permits.

Ground Water/Surface Water: The Ground Water Division of the Department of Environmental Quality (DEQ) protects ground water quality and minimizes existing and potential ground water contamination from other than hazardous wastes and chemical spills. Notification of any spill or breakage to existing systems or facilities for which discharge permits currently exist is required.

The Surface Water Quality Division of the DEQ performs all state certifications under Section 401 of Section 402 National Pollution Discharge and Elimination System (NPDES) permits issued by EPA and Section 404 permits issued by the U.S. Army Corps of Engineers.

Section 10 and 404 Permits

Sec. 404 of the Clean Water Act, and Sec. 10 of the Rivers and Harbors Act, apply to actions affecting waters of the United States. Both laws are administered by the U.S. Army Corps of Engineers. Examples of actions requiring permits include construction, demolition, and any dredging or filling in any part of surface water tributaries, including small streams, lakes, ponds, stock tanks, construction and mining pits, and wetlands. Obtaining permits is the responsibility of the applicant. Unless it is an emergency action, i.e., immediate threat to life or property, obtaining permits must be done prior to executing any physical disturbance action.

Historic Preservation and Cultural Resources

There are numerous historic structures or sites within the disaster area. They might be buildings, bridges, other structures or specific sites. Many of these structures or sites are not on the National Register of Historic Places, but might be eligible for the National Register, which is the trigger for concern under Section 106 of the National Historic Preservation Act. This law requires FEMA to coordinate projects with the State Historic Preservation Officer (SHPO). Any project receiving federal assistance that affects a structure 45 years old or older must have prior approval from the State Historic Preservation Office.

EMERGENCY DISPOSAL SITE EVALUATION AND REGISTRY

This form is to be used as a checklist for DEQ employees to assist those local officials who want to meet federal environmental requirements for reimbursement by FEMA. DEQ Environmental Specialists can assist local officials by completing the State guidelines portion. Local officials are responsible to send or fax this form to the State Historic Preservation Officer (SHPO)

City/Town to be served:

Address:

_____ City: _____ ZipCode: _____

Telephone # _____ Fax # _____ County:

Legal description/Lat-Long of site:

Finding

Directions: _____

Name of site owner*: _____

** The City or Town must control the site, either through ownership or legal access agreement.*

**GUIDELINES for EMERGENCY BURNING, BURIAL and/or
STOCKPILING of SOLID WASTE**

Located above the 100-year floodplain and Outside of known wetlands. (The floodplain map used for locating the site shall be an original Flood Insurance Rate Map prepared by the Federal Emergency Management Agency, a copy, of the Flood Prone Area Map prepared by the US Geological Survey or an equivalent constructed map that depicts the limits and elevations of any 100 year floodplain on or adjacent to the proposed site.)

Located at least ¼ mile from a public or private water supply (surface or ground). **If the site will be used only for the stockpiling, burning or disposal of tree limbs and brush the distance may be reduced from ¼ mile to 300 feet.**

If the site will receive any putrescible waste that may attract birds, is it located at least 5,000 feet (1,524 meters) from any airport runway used only by piston-engine aircraft, or within 10,000 feet (3,048 meters) of any airport runway used by turbojet aircraft, except as may be approved by the US Federal Aviation Administration.

Provisions are in place to ensure that hazardous waste, radioactive waste, regulated polychlorinated biphenyls (PCB waste, or regulated infectious wastes are excluded.

Public official understands that the burial site must be properly closed and covered with 3 feet of soil within 45 days.

All burning of solid waste will be located at least 500 feet (preferably ½ mile) from an occupied residence.

Provisions are in place to exclude the burning of rubber, plastics, asbestos, and other similar materials that produce unreasonable amounts of air contaminants.

Public official understands that burning must be controlled so that the smoke does not create a traffic hazard

LEGAL ACCESS AGREEMENT

THIS AGREEMENT is made on this _____ day of _____, 200____, by and between _____ (“Grantee”) and _____ (“Grantor”).

WHEREAS, Grantee desires to obtain the right and authority to conduct various activities including _____
DESCRIBE ACTIVITIES

_____ on the property of the Grantor;

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. **Use of Property.** Subject to the terms hereof, Grantor does hereby grant to Grantee the right to go upon and use the premises owned by Grantor and described as

LEGAL DESCRIPTION OF PROPERTY

to

_____.

DESCRIBE ACTIVITES

2. **Term.** The rights granted to Grantee herein shall extend until _____ DATE

or until the Grantor terminates such rights in writing to:

NAME AND ADDRESS

3. **Location of Activities.** Grantee shall conduct the activities at such locations on the Property as may be determined by Grantee with an intent of lessening damages to structures and other improvements thereon, as well as inconvenience to the Grantor.

4. **Contractors of Grantee.** Grantee may contract for the performance of the activities described herein with third parties. Any such party contracting with Grantee for the performance of such activities shall have the same rights and privileges as Grantee for the purpose of performing the contracted services.

5. **Ownership of Property.** The Grantor represents and warrants that it is the owner of the Property and has the right, power and authority to grant to Grantee the rights described herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

GRANTOR
Owner of Property
[Code of Federal Regulations]

GRANTEE
Title

SOUTHWEST ARKANSAS ELECTRIC
COOPERATIVE CORPORATION

Disaster Management

Disaster Management Division Area Coordination Branch



Central Area
Clay Bewley
(501) 683-6700

Southwest Area
Teresa Smith
(501) 580-9184

Northwest Area
Tim Gehring
(479) 938-0087

Southeast Area
LeeAnn Smith
(870) 534-1534

Northeast Area
Anthony Coy
(870) 935-3094



**ARKANSAS DEPARTMENT
OF EMERGENCY MANAGEMENT**

To obtain information about how to apply for disaster assistance,
please go to www.adem.arkansas.gov.

DEPARTMENT OF HOMELAND SECURITY
 FEDERAL EMERGENCY MANAGEMENT AGENCY
REQUEST FOR PUBLIC ASSISTANCE

O.M.B. NO. 1660-0017
Expires April 30, 2013

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for this form is estimated to average 10 minutes. Burden means the time, effort and financial resources expended by persons to generate, maintain, disclose, or to provide information to us. You may send comments regarding the burden estimate or any aspect of the collection, including suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472, Paperwork Reduction Project (OMB Control Number 1660-0017). You are not required to respond to this collection of information unless it displays a valid OMB number. **NOTE: Do not send your completed questionnaire to this address.**

APPLICANT (Political subdivision or eligible applicant)		DATE SUBMITTED
COUNTY (Location of Damages. If located in multiple counties, please indicate)	DUNS NUMBER	

APPLICANT PHYSICAL LOCATION

STREET ADDRESS

CITY	COUNTY	STATE	ZIP CODE
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MAILING ADDRESS (If different from Physical Location)

STREET ADDRESS

POST OFFICE BOX	CITY	STATE	ZIP CODE
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Primary Contact/Applicant's Authorized Agent

Alternate Contact

NAME	NAME
TITLE	TITLE
BUSINESS PHONE	BUSINESS PHONE
FAX NUMBER	FAX NUMBER
HOME PHONE (Optional)	HOME PHONE (Optional)
CELL PHONE	CELL PHONE
E-MAIL ADDRESS	E-MAIL ADDRESS
PAGER & PIN NUMBER	PAGER & PIN NUMBER

Did you participate in the Federal/State Preliminary Damage Assessment (PDA)? YES NO

Private Non-Profit Organization? YES NO

If yes, which of the facilities identified below best describe your organization?

Title 44 CFR, part 206.221(e) defines an eligible private non-profit facility as: "... any private non-profit educational, utility, emergency, medical or custodial care facility, including a facility for the aged or disabled, and other facility providing essential governmental type services to the general public, and such facilities on Indian reservations." "Other essential governmental service facility means museums, zoos, community centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops and facilities which provide health and safety services of a governmental nature. All such facilities must be open to the general public."

Private Non-Profit Organizations must attach copies of their Tax Exemption Certificate and Organization Charter or By-Laws. If your

OFFICIAL USE ONLY: FEMA - _____ -DR- _____ - FIPS# _____ DATE RECEIVED _____

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p> <hr/> <p>2 Business name/disregarded entity name, if different from above</p> <hr/> <p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 20%;">Individual/sole proprietor or single-member LLC</td> <td style="text-align: center; width: 20%;">C Corporation</td> <td style="text-align: center; width: 20%;">S Corporation</td> <td style="text-align: center; width: 20%;">Partnership</td> <td style="text-align: center; width: 20%;">Trust/estate</td> </tr> </table> <p>Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	Individual/sole proprietor or single-member LLC	C Corporation	S Corporation	Partnership	Trust/estate	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p style="font-size: small;">(Applies to accounts maintained outside the U.S.)</p>
Individual/sole proprietor or single-member LLC	C Corporation	S Corporation	Partnership	Trust/estate			
	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p> <hr/> <p>6 City, state, and ZIP code</p> <hr/> <p>7 List account number(s) here (optional)</p>	<p>Requester's name and address (optional)</p> <hr/>					

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to act a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶ _____	Date ▶ _____
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

Form 1099-DIV (dividends, including those from stocks or mutual funds)

- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a) J—

A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

**Statement of Compliance
of
Southwest Arkansas Electric Cooperative Corporation**

Southwest Arkansas Electric Cooperative Corporation's (the "Cooperative") mission is to provide adequate and dependable electric service to its members at the lowest cost possible consistent with sound business practices. In that regard, the Cooperative has compiled and maintains an Emergency Restoration Plan. This Emergency Restoration Plan is a guide for Cooperative personnel in the event of a disaster occurrence that interrupts electric service to its member owners.

In the event of a declared disaster, the Cooperative is cognizant of the need to maintain awareness of FEMA rules and the eligibility requirements to qualify for the FEMA Public Assistance Grant Program. The Cooperative's Emergency Restoration Plan includes FEMA requirements to assist with the Cooperative's compliance with said rules and regulations.

All appropriate staff of Southwest Arkansas Electric Cooperative Corporation are aware of the Federal Emergency Management Agency (FEMA) Public Assistance Grant Program and its role in recovery from a declared disaster. In an effort to comply with the eligibility requirements to qualify for financial assistance from the FEMA Public Assistance Grant Program for disaster related system repair and restoration, Southwest Arkansas Electric Cooperation Corporation employees have reviewed the required documentation and procedures outlined in the FEMA Disaster Assistance Fact Sheet DAP 9580.6 as well as RUS Bulletin 1724D-106, Storm Damage Conductor Replacement; both included in this Appendix.



FACT SHEET DAP9580.6

ELECTRIC UTILITY REPAIR (PUBLIC AND PRIVATE NONPROFIT)

Overview

The purpose of this fact sheet is to establish criteria to determine eligibility for repair or replacement of disaster-damaged electric distribution and transmission systems under the authority of rural electric cooperatives (RECs), municipal electric utilities, public power districts, and other public entities following a major disaster or emergency declaration by the President. This fact sheet addresses appropriate contracting procedures, categories of work (that is, Category B or F), criteria for replacing conductors, hazard mitigation, Rural Utility Service (RUS) Bulletins, and collateral damage. The Federal Emergency Management Agency (FEMA) must inspect and validate all projects for which the owners are requesting replacement of conductors. The utility owners are responsible for the safety and reliability of their distribution and transmission systems.

Contracting

To be eligible for Federal funding, applicants must comply with federal procurement standards as outlined in the Title 44 Code of Federal Regulations (CFR), Part 13.36, **Procurement**. Essential elements of the procurement process include: competition; a clear and definitive scope of work, if possible; qualified bidders (documented by licenses, financial records, proof of insurance, and bonding, as applicable); a price analysis to demonstrate price reasonableness; compliance with all relevant local, State, and Federal requirements, laws and policies; and, clear documentation of the process/rationale followed in making procurement decisions. There is no requirement to negotiate profit separately when applicants follow competitive procurement procedures. Profit is considered to be a component of the unit price.

Unacceptable Contracts: **Cost Plus Percentage of Cost**

Acceptable Contracts:

1. **Lump Sum**
2. **Unit Price**
3. **Cost Plus Fixed Fee**

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4. **Sole Source for Materials** – in limited situations. RECs, municipal utilities, and public power districts may use noncompetitive procurements to procure materials, provided they meet the requirements of 44 CFR §13.36(d)(4), *Methods of procurement to be followed*, Procurement by *noncompetitive proposals*.
5. **Time and Material (T&M)** - applicants may use T&M contracts only when it has been determined that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk (44 CFR §13.36(b)(10), *Procurement standards*). Since RECs, municipal utilities, and public power districts generally provide the materials used in repairing their systems, these contracts are referred to as “time and equipment” (T&E) contracts. Due to the critical nature of restoring power to the electrical grid following a disaster and because exigent circumstances do not permit delays related to fully assessing the damages before repair work begins, RECs, municipal utilities, and public power districts commonly use T&E contracts for making disaster-related repairs.

The use of T&E contracts to repair disaster-related damages to electrical transmission and distribution systems may be eligible for Public Assistance (PA) funding provided the utility owner:

- (a) Documents the exigent circumstances that exist and explains why other types of contracts were not suitable;
- (b) Documents why a detailed scope of work could not be developed for the repairs;
- (c) Ensures that all T&E contracts contain a “ceiling price” that the contractor exceeds at its own risk, a “not to exceed” clause, or are otherwise limited by an applicant-issued task order;
- (d) Performs and documents a price analysis to demonstrate that the hourly rates are reasonable and justifiable under the disaster conditions;
- (e) Documents the terms of the contract (including mutual aid contracts); and
- (f) Monitors contractors and keeps good records of work performed.

Category of Work

FEMA characterizes work authorized under sections 403, **Essential Assistance**, and 407, **Debris Removal**, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) as emergency work (Categories B and A, respectively) and under section 406, **Repair, Restoration, and Replacement of Damaged Facilities**, as permanent work (Categories C-G). Category F refers to the permanent repair of utility systems. RECs, municipal utilities, and public power districts work to restore power to customers as soon as possible following disasters. Most repairs are permanent in nature. FEMA categorizes electric utility restoration work as follows:

1. FEMA will characterize all temporary work that RECs, municipal utilities, and public power districts perform to restore power to all facilities capable of receiving it, as Category B,

ELECTRIC UTILITY REPAIR

emergency work. In these situations, the RECs, municipal utilities, and public power districts make permanent repairs later to bring the damaged components into compliance with appropriate codes and standards.

2. FEMA will characterize work that RECs, municipal utilities, and public power districts perform to restore the damaged facilities to pre-disaster condition in accordance with applicable codes and standards as Category F, permanent work. RECs, municipal utilities, and public power districts can complete permanent repairs immediately after the disaster occurs or after temporary repairs are completed (see item 1 above).

Replacing Conductors

44 CFR §206.226, **Restoration of damaged facilities**, authorizes reimbursement for "... work to restore eligible facilities on the basis of the design of such facilities as they existed immediately prior to the disaster ..." in accordance with adopted codes and standards. FEMA recognizes local, state, and national codes (for example, the National Electrical Safety Code and RUS standards and specifications for materials, equipment, and construction, which are applicable regardless of funding source) as appropriate when determining eligible cost to repair or replace damaged electrical facilities.

Establishing Pre-Disaster Condition

Applicants should provide the following information to establish pre-disaster condition of their facilities:

1. Certification of the pre-disaster condition and capacity of the conductor from a licensed professional engineer who has direct experience with the damaged electrical transmission or distribution system. Records providing satisfactory evidence of the condition and capacity of the conductor as it existed prior to the disaster. The certification may be supplemented by a professional engineering evaluation.
2. If available, copies of construction work plans demonstrating the utility's past practices and current/future projects.
3. If required by RUS, a copy of any corrective action plans submitted to RUS in compliance with 7 CFR §1730.25, **Corrective action** (RUS borrowers only).

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Criteria for Conductor Replacement

Determining the disaster-related damages to some components (for example, poles, guys, and cross-arms) of an electrical transmission or distribution system can usually be accomplished by visual inspection. However, determining the full extent of disaster-related damages to conductors, and the appropriate method to repair the damages, is more challenging, particularly with older systems. FEMA considers a conductor eligible for replacement when it is stretched beyond the point where it can be effectively repaired and re-sagged through predictable modeling to meet appropriate clearances, sag and tension, and to meet pre-disaster reliability. A conductor is beyond the point where it can be effectively repaired when one or more of the following criteria exist within a line section:

1. 25% or more of the conductor spans are damaged. Damage is defined as broken conductors, broken strands, the existence of new (disaster-related) splices, and/or if the conductor is severely pitted, burned, kinked, or damaged in other ways.
2. 30% or more of the line spans are visibly out of sag or do not meet clearances (for example, the conductor does not meet clearance requirements for conductor-to-conductor or conductor-to-ground).
3. 40% or more of the poles were replaced or need to be replaced or plumbed (straightened) due to the disaster.
4. 40% or more of the supporting structures have a disaster-related damaged component (for example, x-arms, braces, pin, ties, insulators, guys/anchors, or poles).
5. The sum of the percentages of the above criteria is 65% or more.
6. Other additional compelling information provided by a licensed professional engineer.

Replacement Conductor

FEMA will fund eligible work in accordance with 44 CFR §206.226, **Restoration of damaged facilities**. The use of #2 Aluminum Conductor Steel Reinforced (ACSR), however, is considered the lower cost equivalent to replace conductor with equal or lesser amperage capacity, such as copper weld conductor (CWC), hard and soft drawn copper wire, smaller ACSR, and Amerductor. When such conductor is replaced with #2 ACSR, FEMA will fund adjustments of span lengths and pole heights to meet appropriate design requirements.

If FEMA determines that the conductor is eligible for replacement, FEMA will fund the use of #2 ACSR as the lower cost equivalent replacement of conductor with equal or lesser amp capacity (for example, copper weld conductor (CWC), hard and soft drawn copper wire, and smaller ACSR, and Amerductor). If the existing spacing of poles exceeds the spacing required for the new conductor, FEMA will fund the installation of additional poles and components as required to meet appropriate design requirements.

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If disaster damaged conductor does not qualify for replacement, the damaged line section is eligible for repair only.

Hazard Mitigation

FEMA provides hazard mitigation funding under Section 404, **Hazard Mitigation**, and Section 406, **Repair, Restoration, and Replacement of Damaged Facilities**, of the Stafford Act. The State manages the Section 404 Hazard Mitigation Grant Program and establishes the funding priorities for the program. FEMA will evaluate and fund Section 406 hazard mitigation projects to protect disaster-damaged components of facilities. FEMA supports funding cost-effective hazard mitigation measures for electrical transmission and distribution facilities. In order to be eligible, hazard mitigation measures under Section 406 of the Stafford Act:

1. Must be appropriate to the disaster damage and must prevent future damage similar to that caused by the declared event.
2. Must be applied only to the damaged element(s) of a facility. This criterion is particularly important when conducting repairs to a portion of a system.
3. Cannot increase risks or cause adverse effects to the facility or to other property.
4. Must consist of work that is above and beyond the eligible work required to return the damaged facility to its pre-disaster design. Upgrades required to meet current codes and standards, however, are not considered hazard mitigation measures for purposes of the PA Program and have different eligibility criteria.

FEMA staff must review and approve hazard mitigation measures prior to implementation to ensure eligibility, technical feasibility, environmental and historic preservation compliance, and cost effectiveness. FEMA may fund the use of "wind-motion resistant conductor" as effective hazard mitigation, when conductor segments qualify for replacement.

Code or standard upgrades that FEMA determines do not meet the five criteria listed in 44 CFR §206.226(d), **Restoration of damaged facilities, Standards**, but which will enhance a facility's ability to resist similar damage in a future disaster, may be eligible for funding under Section 406 hazard mitigation (see FEMA Disaster Assistance Policy DAP9526.1, *Hazard Mitigation Funding under Section 406 of the Stafford Act*). For example, increasing the size or changing the type of conductor for hazard mitigation purposes may be eligible for FEMA reimbursement provided it is both viable and cost-effective.

Cost effectiveness is defined as:

1. Up to 15% of the total eligible cost of eligible repairs; or
2. Up to 100% of eligible repair costs for measures listed in Appendix A of DAP9526.1; or
3. A benefit-cost ratio of 1 or greater.

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A non-exhaustive list of typical hazard mitigation measures for electrical systems includes the following:

Sample Mitigation Measure	Justification
Installing additional poles to support transformers	100%, listed in Appendix A of DAP9526.1
Installing guy-wires	100%, listed in Appendix A of DAP9526.1
Providing looped distribution service or other redundancies to critical facilities	100%, listed in Appendix A of DAP9526.1
Elevating pad-mounted transformers above BFE (or ABFE where applicable)	100%, listed in Appendix A of DAP9526.1
Replacing damaged poles with higher-rated poles of the same or different material	100%, listed in Appendix A of DAP9526.1
Cross bracing on H Frame Poles	100%, listed in Appendix A of DAP9526.1
Removing large diameter communication lines	100%, listed in Appendix A of DAP9526.1
Upgrade conductor to Wind-Motion Resistant Conductor (e.g., T2 ACSR)	15% of the total eligible cost of eligible repairs
Mid span poles (not specified by code)	15% of the total eligible cost of eligible repairs

Rural Utility Service (RUS) Bulletins

In order for the costs of Federal, State, and local repair or replacement standards which change the pre-disaster construction of a facility to be eligible, 44 CFR §206.226(d), **Restoration of damaged facilities, Standards**, requires that the standards must:

1. Apply to the type of repair or restoration required;
2. Be appropriate to the pre-disaster use of the facility;
3. Be found reasonable, in writing, and formally adopted and implemented by the State or local government on or before the disaster declaration date, or be a legal Federal requirement applicable to the type of restoration;
4. Apply uniformly to all similar types of facilities within the jurisdiction of the owner of the facility; and
5. For any standard in effect at the time of a disaster, it must have been enforced during the time it was in effect.

Under the authority of the Rural Electrification Act of 1936, the United States Department of Agriculture RUS, Electric Programs Division, makes direct loans and guarantees loans to electric utilities to serve customers in rural areas. Rural electric cooperatives use the loans and loan guarantees to finance construction of electric distribution, transmission, and generation facilities. Through these loans, the Federal government is the majority note-holder for approximately 700 electric systems in 46 states. In accordance

ELECTRIC UTILITY REPAIR


with 7 CFR 1724.1(b), **Electrical Engineering, Architectural Services and Design Policies and Procedures**, all borrowers, regardless of funding sources, are required to comply with RUS requirements for new construction design standards, and the use of RUS accepted material on electric systems.

On July 1, 2005, RUS published Bulletin 1742D-106, *Considerations for Replacing Storm-Damaged Conductors*. The bulletin provides guidelines to assist rural electric cooperatives in making expedient decisions on whether to repair or replace damaged conductors after disasters. FEMA has reviewed this bulletin and determined that it does not meet the definition of a code or standard as described in 44 CFR §206.226(d). Therefore, FEMA will not accept RUS Bulletin 1742D-106 as a basis for replacing damaged conductors.

To date, rural electric cooperatives have not cited other RUS Bulletins to support their requests for the replacement of conductors. FEMA will evaluate other RUS Bulletins on a case-by-case basis.

Repair of Collateral Damage

The repair of damage to eligible facilities caused during the performance of eligible work is reimbursable under the Public Assistance Program. If rural electric cooperatives, municipal utilities, or public power districts damage their own or other public property while performing emergency repairs to their facilities, the cost to repair the damage may be eligible (see DAP9525.8, *Damage to Applicant-Owned Equipment*). Rural electric cooperatives often obtain easements from private landowners to access and maintain their transmission and distribution facilities. If private property easements are damaged while making repairs to the disaster-damaged facilities (for example, ruts on the property), the repair of the damage to the private property is eligible for FEMA Public Assistance reimbursement. Applicants shall demonstrate legal responsibility for the repair in the form of a written or statutory easement with an express legal responsibility to repair the damage.


Elizabeth A. Zimmerman
Assistant Administrator
Disaster Assistance Directorate

9.22.09
Date

ELECTRIC UTILITY REPAIR - APPENDIX

Conductor Replacement Criteria Frequently Asked Questions

1. What is a span?

A span is the distance between two poles.

2. What is a line section?

A line section is a group of contiguous spans selected for evaluation. The applicant has flexibility in defining a line section. A line section could be a single span, all the spans between two deadend structures, all the spans on a feeder, all the spans on a tap or any other group of contiguous spans that are evaluated together.

3. What is Criterion 1 and how is it applied?

This criterion relates to visible damage to the conductor in a line section. A conductor span with damage such as broken strands, splices or sleeves (installed as a result of the disaster), birdcaging, severe pitting, burns, kinks or other visible conductor damage is counted in this criterion. The number of conductor spans is calculated by multiplying the number of conductors per span by the number of spans. For example a three phase line section with three spans has 12 conductor spans (4 conductors \times 3 spans = 12). If a single conductor span has damage in more than one location it still only counts as one damaged conductor span. If 25% or more of the of the total conductor spans in a line section have visible damage as a direct result of the disaster, then the conductors of that line section are considered eligible for replacement.

4. What is Criterion 2 and how is it applied?

This criterion relates to conductor elongation or stretch in a line section. Any conductors in a span that are out of sag or do not meet clearance requirements as a direct result of the disaster are counted in this criterion. If more than one conductor in a span is out of sag or does not meet clearance requirements it still counts as just one span. This evaluation does not require precise measurement of the conductor temperature or actual sag or clearances. This determination is to be made using the good judgment of a qualified electrical inspector. If 30% or more of the total spans in a line section are visibly out of sag or do not meet clearance requirements as a direct result of the disaster, then the conductors of that line section are considered eligible for replacement.

5. What is Criterion 3 and how is it applied?

This criterion is related to damage to the poles supporting the conductor in a line section. If a pole was replaced, is in need of replacement or is in need of plumbing (straightening) as a direct result of the disaster, then it counts in this criterion. A pole is considered to be in need of straightening if it is leaning such that it is unsafe to climb. If 40% or more of the total poles in a

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line section meet this criterion then the conductors in that line section are considered eligible for replacement.

6. What is Criterion 4 and how is it applied?

This criterion relates to damage to the supporting structure other than the poles. If the supporting structure has damage such as a broken crossarm, broken support brace, bent pin, broken tie, broken insulator, broken guy or pulled anchor as a direct result of the disaster then that support structure is counted in this criterion. If more than one element of the support structure is damaged it still only counts as one damaged support structure. If a pole is counted under criterion 3 then the supporting structure should not be counted under criterion 4. If 40% or more of the total number of support structures in a line section are damaged as a direct result of the storm then the conductors of that line section are considered eligible for replacement.

7. What is Criterion 5 and how is it applied?

This criterion relates to the total damage to a line section. If the sum of the percentages calculated for criteria 1 through 4 is 65% or more then the conductors of that line section are considered eligible for replacement. It is possible that the sum of the percentages for criteria 1 through 4 could be more than 100%.

8. What is Criterion 6 and how is it applied?

This criterion is included to account for other methods of demonstrating that the conductor in a line section is damaged beyond repair. If this criterion is applied then supporting evidence must be documented to clearly describe the basis for the conclusion that the conductor in this line section was damaged as a direct result of the disaster and is not suitable for continued service. FEMA will make the final determination on a case-by-case basis.

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

BULLETIN 1724D-106

SUBJECT: Considerations For Replacing Storm-Damaged Conductors

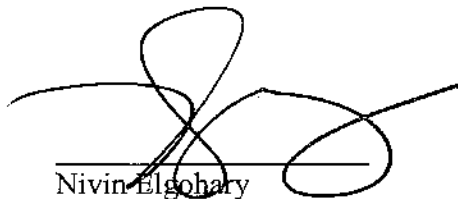
TO: RUS Electric Borrowers

EFFECTIVE DATE: Date of Approval

OFFICE OF PRIMARY INTEREST: Distribution Branch, Electric Staff Division

AVAILABILITY: This is a revision of an existing guide bulletin and is available on the Rural Utilities Service website at <http://www.usda.gov/rus/electric/bulletins.htm>.

PURPOSE: Immediately after a major storm like a hurricane, electric utility personnel are very busy and focused on restoring electric service. Often during this period of service restoration and commotion, electric utility engineers or others have to make an immediate decision on whether to simply re-install downed or damaged conductors or to replace them with new conductors. This bulletin provides guidelines that will assist Rural Utilities Service (RUS) borrowers to expediently make this decision.



Nivin Elgohary

Acting Assistant Administrator Electric Program

8/3/10

Date

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INDEX:

Conductors, Distribution
Conductors, Transmission

ABBREVIATIONS

ACSR	Aluminum Conductor Steel Reinforced
CWP	Construction Work Plan
LRP	Long Range Plan
FEMA	Federal Emergency Management Agency
RUS	Rural Utilities service

DEFINITIONS

For the purposes of this bulletin, the following definitions are used:

Storm (or major storm) - The most recent major natural catastrophic event such as a hurricane, tornado, flood, forest fire or an ice storm.

Line Section - All of the spans between guyed, dead-end, poles or structures. (In this bulletin it is assumed that new conductors will be installed and sagged in the entire line section because that is the standard method of installing new conductors.)

Conductor-Span - One span of one primary phase or a neutral conductor.

(e.g., 5 spans with 3 phases and a neutral equal 20 Conductor-Spans.) [$5 \times (3 + 1) = 20$]

Downed conductor – A conductor that is lying on or near the ground as the result of a storm. (A downed conductor has usually either been torn away from its pole-top attachments, or it is still attached to the top of a pole that has been broken off.)

Damaged conductor – A conductor that:

Is entirely broken or contains broken strands;

Has been permanently stretched, annealed, or deformed such that cannot be re-installed within predictable sag values or reasonable tension limits;

Is severely pitted, burned, or similarly harmed in other ways;

Has areas of rusted steel or corroded (white powder) aluminum strands; or

Contains one or more splices (with automatic splices or compression type connectors) other than those installed when the conductor was initially installed.

Re-install conductors – A repair if necessary and restore all of the downed or damaged conductors in a line section to their original position before the storm.

Replace conductors - Remove the downed or damaged conductors (even if they have been previously re-installed) and install new conductors of the same size or larger.

FORMS

Questionnaire Form: “Reasons to Replace Stormed-Damaged Conductors”

1 PURPOSE

- a This bulletin presents guidelines for borrowers to use during emergency system restorations when borrowers need to decide without delay whether to re-install or to replace storm-damaged conductors. This bulletin is not to be used for making undamaged conductor replacement decisions normally made in a construction work plan (CWP) or a long-range plan (LRP) that employ additional studies and a much more rigorous analysis.
- b The brief questionnaire at the end of this bulletin can be used to determine, document and validate replacing storm-damaged conductors with new conductors. If one or more of the 6 criteria in the questionnaire are met, then the conductor replacement is justified. A knowledgeable utility engineer in the field can complete the questionnaire when conductor replacement decisions need to be made promptly, without the benefit of an engineering study, during restoration activities after a major storm event.
- c If borrowers are seeking grant funds from FEMA, RUS recommends that borrowers reference and comply with the FEMA Disaster Assistance Fact Sheet DAP9580.6.

2 RESTORATION OF ELECTRIC SERVICE

- a Immediately after a storm, electric utilities expediently strive to make the distribution supply system safe for the general public, and restore electric service to all consumers in an orderly, prioritized manner (starting from the substation). For example, the restoration of service to hospitals and re-energizing main feeders are deemed high priority. Whenever possible, line workers make good, permanent repairs to the storm-damaged distribution system. However during emergency conditions, line workers routinely make temporary repairs (including non-standard construction) until the time and resources are available to return and make permanent repairs to restore the distribution supply system to its condition before the storm.
- b For the purposes of this bulletin, it is assumed that all distribution line materials other than conductors (such as poles, crossarms, insulators and transformers) that have been damaged during a storm have been or will be permanently replaced on a “like-with-like” basis. The purpose of such repairs and material replacements is to restore the distribution infrastructure to pre-storm.

3 RUS ACCOUNTING REQUIREMENTS

Borrowers’ activities related to materials retirements, new material replacements, and construction and other activities pertaining to storm damage restoration involve accounting procedures that are beyond the scope of this bulletin. However, because of the detailed nature of these accounting provisions, RUS recommends that borrowers refer to RUS Bulletin 1767B-1, “Uniform System of Accounts - Electric Program.” Borrowers should specifically review Accounting Method and Procedure #136, “Storm Damage,” in

RUS Bulletin 1767B-1. Copies of RUS Bulletin 1767B-1 are available on the RUS website at: <http://www.usda.gov/rus/rcgs/bulls/1767b-1.pdf>

4 BENEFITS OF REPLACING STORM-DAMAGED CONDUCTORS

Replacing downed or damaged conductors immediately or soon after a storm will eliminate the duplicate labor and cost of a documented and planned near future replacement of the conductors based on a previous study of voltage, loading, or physical condition needs. Also replacing downed and damaged conductors immediately or soon after a storm will eliminate the duplicate labor and cost of re-installing the downed and damaged conductors yet another time (or ultimately replacing them) should the old conductors fail again when subjected to another storm before they are replaced.

5 REASONS TO REPLACE DAMAGED CONDUCTORS WITH LARGER CONDUCTORS

If the decision has been made to replace downed or damaged conductors, larger conductors should be installed if:

- a Larger conductors are called for and documented in a current CWP or LRP;
- b The existing conductors are made of steel, Amerductor, Copperweld or hard-drawn copper;
- c The conductors are smaller than #2 ACSR; or
- d There are known (and preferably documented) undesirable primary voltage drops or primary conductor overload problems that can be attributed to the conductors in the line section in question.

QUESTIONNAIRE FORM: "Reasons to Replace Stormed-Damaged Conductors

Company: _____ Address: _____

Engineer: _____ Date: _____

Date and type of storm [name] _____

Circuit, lead / line & section location: _____ No. of Spans: _____

Existing Conductor [phases, size & type: approx. age]: _____

Number of Conductor-Spans¹ in the line section; Total Number = _____ Damaged = _____

Description of damage: _____

Number of poles in line section: Total Number = _____ Number Damaged = _____

Proposed Conductor [phases, size & type]: _____

Comments: _____

Reasons for Replacing Conductors in the above Line Section	YES	NO
#1. 25% or more of the conductor spans are damaged. Damage is defined as broken conductors, broken strands, the existence of new (disaster-related) splices, and/or if the conductor is severely pitted, burned, kinked, or damaged.		
#2. 30% or more of the line spans are visibly out of sag or do not meet clearances (for example, the conductor does not meet clearance requirements for conductor-to-conductor or conductor-to-ground).		
#3. 40% or more of the poles were replaced or need to be replaced or plumbed (straightened) due to the disaster.		
#4. 40% or more of the supporting structures have a disaster-related damaged component (for example, x-arms, braces, pins, ties, insulators, guys/anchors, or poles).		
#5. The sum of the percentages of the above criteria is 65% or more.		
#6. Other additional compelling information provided by a licensed professional engineer.		

¹ A Conductor-Span means one span of one primary phase or neutral conductor.

Example: 5 spans with 3 phases and neutral equals 20 Conductor-Spans. [5 x (3 + 1) = 20]

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

BULLETIN 1767B-1

SUBJECT: Uniform System of Accounts - Electric

TO: All Electric Borrowers
RUS Electric Staff
Program Accounting Services Division

EFFECTIVE DATE: May 27, 2008

EXPIRATION DATE: Date of change in 7 CFR Part 1767 by rulemaking

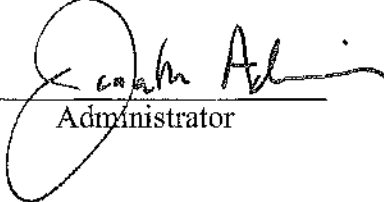
OFFICE OF PRIMARY INTEREST: Technical Accounting and Auditing Staff, Program Accounting Services Division

PREVIOUS PUBLICATIONS: This bulletin replaces RUS Bulletin 1767B-1, Uniform System of Accounts - Electric, dated September 1, 1997.

FILING INSTRUCTIONS: Discard RUS Bulletin 1767B-1, Uniform System of Accounts - Electric, dated September 1, 1997.

PURPOSE: This bulletin sets forth, in a more user-friendly format, the RUS Uniform System of Accounts (USoA) and accounting interpretations for electric borrowers. This bulletin is a reprint of already codified policies and procedures found in 7 CFR Part 1767, Accounting Requirements for RUS Electric Borrowers, revised as of May 27, 2008. This bulletin is for use by borrowers, consultants, and other interested parties.

Every effort has been made to ensure the accuracy of this document. However, in case of discrepancies, the regulations at 7 CFR Part 1767 are the authorized sources.



Administrator

SEP 17 2009

Date

24 §1767.41 ACCOUNTING METHODS AND PROCEDURES REQUIRED 254
OF ALL RUS BORROWERS

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503	Operating and Nonoperating Margins

1. If all of the assemblies in the line are retired or completely removed and later reinstalled or if the line is constructed in a new location before the old line is removed, construction and retirement work orders shall be prepared except for the costs relating to special equipment items (transformers, oil circuit reclosers, etc.) which shall be charged to operations expense.

2. If a line is moved in its entirety to a new location except for isolated retirement units (such as at the end of the line) or poles not suitable for resetting, the cost of moving the portion of line that is moved intact shall be charged to maintenance expense while the cost related to the change in isolated retirement units or the replacement of poles not suitable for resetting shall be accounted for through use of construction and retirement work orders.

3. If a line is moved intact without any change in assemblies, the cost shall be charged to maintenance expense.

Reimbursement

If the borrower receives reimbursement for the costs related to the relocation of the line, the reimbursement shall be accounted for by crediting operation and maintenance expenses to the extent of actual expenses occasioned by the plant changes and crediting the remainder to the accumulated provision for depreciation, unless contractual terms definitely characterize residual or specific amounts as applicable to the cost of replacement. In the latter event, appropriate credits shall be entered in the plant accounts.

Reimbursement received from a telephone company for adding a pole or replacing a present pole with a taller pole under joint use contracts falls within this latter category. In this instance, appropriate credits are charged against the plant accounts.

Financing

The total reimbursement, less any portion for operations and maintenance costs, shall be entered in the "Contributions in Aid of Construction" section at the bottom of the Construction Work Order. When the Inventory of Work Orders (Form 219) is prepared, enter only enough of the contribution in column 9 to reduce to zero the amount in column 10, "Loan Funds Subject to Advance by RUS." This entry is made although none of the reimbursement received is recorded in the accounting records as a contribution in aid of construction.

136 Storm Damage.

As a result of recent hurricane, flood, and ice storm damage, RUS has received several inquiries concerning the proper accounting for storm damage costs and the associated funds received from the Federal Emergency Management Administration (FEMA).

Storm damage costs should be accounted for under the work order procedure. Units of property destroyed or otherwise removed from service must be reflected on retirement work orders and units of property installed must be shown on construction work orders. To ensure that the accounting for construction and retirement costs is as accurate as possible, an effort should be made to accurately accumulate material, labor, and overhead costs. Even when extreme care has been exercised, however, it may still be necessary to use estimates to develop the appropriate cost figures.

When a storm occurs, a utility typically incurs a large retirement loss, all or a part of which should be charged to the accumulated provision for depreciation. Storm damage costs over and

above construction and retirement costs represent maintenance expense. Maintenance costs include the costs of resagging lines, straightening poles, and replacing minor items of property. When extensive damage has occurred, the need to restore the property to an operating condition without delay usually results in excessive costs being incurred. Standard property unit costs may be used as a guide in determining the amount to be capitalized. It should be noted, however, that when standard property unit costs are used, all excess costs are charged to maintenance expense.

Because of the storm's destruction, property is retired prematurely and as a result, extraordinary retirement losses occur. When such extraordinary losses occur, they should be recorded in the year in which the losses are incurred. If the recording of such losses will materially distort the income statement, such losses may be charged to Account 435, Extraordinary Deductions. These costs may be deferred and amortized to future periods only if the provisions of Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation (Statement No. 71), are applied. Under the provisions of Statement No. 71, a utility may defer certain costs, provided such costs are included in the utility's rate base and recovered through future rates. If an RUS borrower elects to apply the provisions of Statement No. 71, RUS approval is required. To obtain RUS approval, a borrower must submit:

- a. A detailed description of the plan including the nature of the expense item, the amount of the deferral, the specific time period for rate recovery, and justifying support for the time period selected;
- b. The accounting journal entries being used by the cooperative to record the expense deferral and amortization of deferred costs; and
- c. A copy of the state Commission order authorizing recovery of the deferred costs through future rates, or in the absence of commission jurisdiction, a resolution from the cooperative's board of directors authorizing such recovery.

To assist in the restoration of the damaged facilities, the Federal government often provides assistance through Federal Emergency Management Agency (FEMA). Under current FEMA procedures, FEMA provides funds for the restoration of facilities based upon the cost estimates submitted by the entity requesting assistance.

If the FEMA grant is for less than 100 percent of the cost estimates, and does not specify offset expenses, thereby providing the borrower with the maximum opportunity to utilize RUS loan funds to finance capitalizable costs. When the funds are received, they should be accounted for by first applying the funds received as a credit to maintenance expense and administrative and general costs. Any remaining funds should then be applied as a credit to construction and retirement costs.

**Southwest Arkansas Electric Cooperative Corporation
Summary of RUS – Exercise of ERP**

Date of Exercise: November 30, 2022

Scenario: Ransomware Attacks
Area: Headquarters and District offices
Destruction: A phishing email resulted in a ransomware attack with a payload that also contained a worm which spread to all network resources.

Date of Exercise: December 14, 2021

Actual Incidents: Entire region experienced multiple days of freezing temperatures and precipitation resulting in massive consumption of power by members.

Date of Exercise: December 15, 2020

Actual Incidents: Global Pandemic
Destruction: All cities and counties in Southwest Arkansas Electric Cooperative's service area affected by global pandemic of COVID-19

Date of Exercise: November 13, 2019

Actual Incidents: July 16, 2019
Destruction: Cities and Rural areas in and around SWAECC's Nashville District received more than 16 inches of rainfall in a matter of hours causing widespread flooding.

Date of Exercise: November 16, 2018

Actual Incidents: September 9-15 & October 16-23, 2018
Destruction: Hurricane winds estimated at 128 to 130 miles per hour by Hurricane Florence and Hurricane Michael created destruction and outages across the eastern seaboard. Cooperative employees were dispatched to assist.

Date of Exercise: November 30, 2017

Actual Incident: July 1, 2017
Destruction: Major storms with straight-line winds estimated at 70-75 miles per hour created destruction and outages in eight of the counties serviced by SWAECC

Date of Exercise: November 1, 2016

Actual Incident: April 2016
Destruction: Straight-line winds estimated at more than 90 miles-per-hour, damage to powerline, transformers and poles

Summary of RUS – Exercise of ERP

Page 2

Date of Exercise: November 13, 2015

Actual Incident: May-June, 2015

Drill: Excessive Rainfall, Tornadoes and Historic Flooding

Date of Drill: November 14, 2014

Actual Incident: July 2014

Drill: After Hours Complete Loss of Communication Following Storm Nashville District Service Area

Date of Drill: November 15, 2013

Actual Incidents: 2012 and 2013

Drill: Service Area Copper Thefts; Repairs to Damaged Transformers, Regulators and Substations; Planned Outages for Repairs

Date of Drill: November 20, 2012

Actual Incident: April 2-3, 2012

Drill: High winds, Hail, Lightning, Tornadoes
Entire SWAECC service area

Date of Drill: November 14, 2011

Actual Incident: June, July, August and September, 2011

Drill: Severe, Prolonged Heat and Drought
Entire SWAECC service area

Date of Drill: November 1, 2010

Actual Incident: May 5, 2010

Destruction: Total destruction of substation due to fire

Date of Drill: 2009

Actual Incident: Spring 2009

Date of Incident: April 27 to May 23, 2009

Destruction: Strong winds, heavy rains and flooding damaged 115 poles, 96 crossarms, 32 pole mounted transformers and approximately 23.20 miles of power line conductor.

Date of Drill: 2008

Actual Incident: Hurricane Ike
September 13-15, 2008

Destruction: Southwest Arkansas service area was hit with heavy rain and sustained winds of 60-70 mph for approximately 12 hours. Hardest hit areas were Texarkana, Bradley and Nashville, but most of the outages were in Texarkana area. In addition to multiple damaged crossarms, downed conductors, etc., approximately 100 poles were broken.

Date of Drill: November 28, 2007

Incident/Scenario: Nationwide bird flu pandemic situation
Area: Four States area epidemic
Degree of Damage/Devastation unavailable
1. Texarkana headquarters – 50% workforce immobilized
2. President/General Manager unavailable
3. VP/Finance, Accounting and Member Services

Date of Drill: November 20, 2006

Incident/Scenario: Tornado - Destruction of District Office and Substation
Area: DeQueen, Arkansas
Destruction: 1. DeQueen District Office – destroyed
2. Grannis substation – destroyed
3. District Manager is not available at time of event