

services needed for a specific undertaking. Any such modifications or additions shall not relieve the engineer or the borrower of the basic responsibilities required by the RUS contract form, and shall not alter any terms and conditions required by law. All substantive changes to the RUS contract form shall be approved by RUS prior to execution of the contract.

(b) RUS Form 236, Engineering Service Contract—Electric System Design and Construction, shall be used for all distribution, transmission, substation, and communications and control facilities. These contracts are not subject to RUS approval and need not be submitted to RUS unless specifically requested by RUS on a case by case basis.

(c) RUS Form 211, Engineering Service Contract for the Design and Construction of a Generating Plant, shall be used for all new generating units and repowering of existing units. These contracts require RUS approval.

(d) Any amendments to RUS approved engineering services contracts require RUS approval.

(e) *Closeout.* Upon completion of all services and obligations required under each engineering services contract, including, but not limited to, submission of final documents, the borrower must closeout the contract. The borrower shall obtain from the engineer a completed final statement of engineering fees, which must be supported by detailed information as appropriate. RUS Form 234, Final Statement of Engineering Fee, may be used. All computations of the compensation shall be made in accordance with the terms of the engineering services contract. Closeout documents need not be submitted to RUS unless specifically requested by RUS on a case by case basis.

§ 1724.32 Inspection and certification of work order construction.

The provisions of this section apply to all borrower electric system facilities regardless of the source of financing.

(a) The borrower shall ensure that all field inspection and related services are performed within 6 months of the completion of construction, and are performed by a licensed engineer, except that a subordinate of the licensed

engineer may make the inspection, provided the following conditions are met:

(1) The inspection by the subordinate is satisfactory to the borrower;

(2) This practice is acceptable under applicable requirements of the States in which the facilities are located;

(3) The subordinate is experienced in making such inspections;

(4) The name of the person making the inspection is included in the certification; and

(5) The licensed engineer signs such certification which appears on the inventory of work orders.

(b) The inspection shall include a representative and sufficient amount of construction listed on each RUS Form 219, Inventory of Work Orders (or comparable form), being inspected to assure the engineer that the construction is acceptable. Each work order that was field inspected shall be indicated on RUS Form 219 (or comparable form.) The inspection services shall include, but not be limited to, the following:

(1) Determination that construction conforms to RUS specifications and standards and to the requirements of the National Electrical Safety Code (NESC), State codes, and local codes;

(2) Determination that the staking sheets or as-built drawings represent the construction completed and inspected;

(3) Preparation of a list of construction clean-up notes and staking sheet discrepancies to be furnished to the owner to permit correction of construction, staking sheets, other records, and work order inventories;

(4) Reinspection of construction corrected as a result of the engineer's report;

(5) Noting, initialing, and dating the staking or structure sheets or as-built drawings and noting the corresponding work order entry for line construction; and

(6) Noting, initialing, and dating the as-built drawings or sketches for generating plants, substations, and other major facilities.

(c) *Certification.* (1) The following certification must appear on all inventories of work orders:

I hereby certify that sufficient inspection has been made of the construction reported

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by this inventory to give me reasonable assurance that the construction complies with applicable specifications and standards and meets appropriate code requirements as to strength and safety. This certification is in accordance with acceptable engineering practice.

(2) A certification must also include the name of the inspector, name of the firm, signature of the licensed engineer, the engineer's State license number, and the date of signature.

§§ 1724.33–1724.39 [Reserved]

Subpart D—Electric System Planning

§ 1724.40 General.

Borrowers shall have ongoing, integrated planning to determine their short-term and long-term needs for plant additions, improvements, replacements, and retirements for their electric systems. The primary components of the planning system consist of long-range engineering plans and construction work plans. Long-range engineering plans identify plant investments required over a long-range period, 10 years or more. Construction work plans specify and document plant requirements for a shorter term, 2 to 4 years. Long-range engineering plans and construction work plans shall be in accordance with part 1710, subpart F, of this chapter. See also RUS Bulletins 1724D–101A, Electric System Long-Range Planning Guide, and 1724D–101B, System Planning Guide, Construction Work Plans, for additional guidance. These bulletins are available from Program Development and Regulatory Analysis, Rural Utilities Service, U.S. Department of Agriculture, Stop 1522, 1400 Independence Ave., SW., Washington, DC 20250–1522.

§§ 1724.41–1724.49 [Reserved]

Subpart E—Electric System Design

§ 1724.50 Compliance with National Electrical Safety Code (NESC).

The provisions of this section apply to all borrower electric system facilities regardless of the source of financing.

(a) A borrower shall ensure that its electric system, including all electric distribution, transmission, and generating facilities, is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity. Copies of the NESC may be obtained from the Institute of Electrical and Electronic Engineers, Inc., 445 Hoes Lane, Piscataway, NJ 08855. This requirement applies to the borrower's electric system regardless of the source of financing.

(b) Any electrical standard requirements established by RUS are in addition to, and not in substitution for or a modification of, the most current and accepted criteria of the NESC and any applicable electrical or safety requirements of any State or local governmental entity.

(c) Overhead distribution circuits shall be constructed with not less than the Grade C strength requirements as described in Section 26, Strength Requirements, of the NESC when subjected to the loads specified in NESC Section 25, Loadings for Grades B and C. Overhead transmission circuits shall be constructed with not less than the Grade B strength requirements as described in NESC Section 26.

§ 1724.51 Design requirements.

The provisions of this section apply to all borrower electric system facilities regardless of the source of financing.

(a) *Distribution.* All distribution facilities must conform to the applicable RUS construction standards and utilize RUS accepted materials.

(b) *Transmission lines.* (1) All transmission line design data must be approved by RUS.

(2) Design data consists of all significant design features, including, but not limited to, transmission line design data summary, general description of terrain, right-of-way calculations, discussion concerning conductor and structure selection, conductor sag and tension information, design clearances,