



# Tariff Changes for Commercial Line Extension Policy

David L. Thompson | VP Markets

# Line Extension Policy Section 300

- **Reason:**
  - PEC conducts a Cost of Service Study on a recurring basis as set by the Board of Director's Rates Policy
  - The Cost of Service Study is used to inform tariff change recommendations to the PEC Board of Directors including line extension allowances, rates, fees, and capital credit allocations
  - The main finding was the Cooperative allowable investment toward construction costs for commercial members needs to be lowered on average and administering the process needs to be simplified for consistency
  - GDS and Associates – Presented at the August Board of Directors meeting on their findings



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- **Tariff Amendments**
  - Replaced the calculation for the Cooperative's allowable investment to a flat \$2,000 for Commercial Line Extensions
  - Replaced the calculation for the Cooperative's allowable investment to a flat \$800 for Other Commercial Line Extensions (i.e. low usage, detachable service)
  - Clarified that there is no Cooperative allowable investment for commercial upgrades
  - Added new section for non-metered commercial
  - Clarified the underground service, routing, and relocations sections

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- **Tariff Amendments cont.**
  - Definitions added for clarification purposes to section 100 Rate Schedules
  - No substantive changes made to the Residential section
  - No substantive changes made to the development sections, Residential and Commercial
  - Tariff changes are effective January 1, 2020



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