



## Legislation Details (With Text)

<b>File #:</b>	2020-001	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Action Item/Other Items	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	12/9/2019	<b>In control:</b>		Board of Directors	
<b>On agenda:</b>	1/17/2020	<b>Final action:</b>			
<b>Title:</b>	Draft Resolution - Approval to Amend Tariff and Business Rules - Line Extension Policy - N Mack   D Thompson				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. 2020-01-17 - Current PEC Tariff-and-Business-Rules, 2. 2020-01-17 Draft Tariff and Business Rules - N Mack and D Thompson v2, 3. 2020-01-17 Tariff Amendments and Restructure Presentation - N Mack and D Thompson v2, 4. 2020-01-17 Tariff Restructure Mapping Document - N Mack and D Thompson v2				

Date	Ver.	Action By	Action	Result
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### Draft Resolution - Approval to Amend Tariff and Business Rules - Line Extension Policy - N Mack | D Thompson

**Submitted By:** Robyn Miller on behalf of David Thompson

**Department:** Markets

#### Financial Impact and Cost/Benefit Considerations:

Expenditure of Cooperative funds is anticipated to be reduced in total by approximately \$330,000 per year. The anticipated reduction in expenditure of Cooperative funds breaks down as follows:

- \$100,000 per year attributed to residential upgrades
- \$100,000 per year attributed to other residential
- \$30,000 per year attributed to other non-residential
- \$100,000 per year attributed to service upgrades

Expenditures of staff time anticipated to be reduced due to process standardization.

The Board approved amendments to the Cooperative's Line Extension Policy in the Tariff and Business Rules (the "Tariff") at the October Board meeting. The approvals in October addressed primarily commercial line extensions and were the first part of the Cooperative's Cost of Service Study Review of the Line Extension Policy.

The amendments to the Line Extension Policy include clarifications throughout this Policy for consistency and include the following, which are found in the blue boxes located within the text of the proposed draft Tariff. These changes are proposed to be effective June 1, 2020.

- Adjust the Contribution in Aid of Construction (CIAC) for Section 400.5, Other Non-Residential Service, from a flat \$800 allowable investment to a \$0 allowable investment.
- Adjust the CIAC for Section 400.3, Other Residential Service, from a flat \$800 allowable investment to

a \$0 allowable investment.

- Specify that all service upgrades, residential and non-residential, receive no allowable investment from the Cooperative.
- Clarify that residential service is intended to be for a Member's primary residence that qualifies or will qualify within a twelve (12) month time period for a homestead exemption with the Member's local property tax appraisal district.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached and presented this day with such changes, if any, as were approved by the Board to become effective on June 1, 2020, as specified in the Tariff and Business Rules; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take all such actions as needed to implement this resolution.