

RESOLUTION NO. 1091

A RESOLUTION OF THE BOARD OF COMMISSIONERS TO ADOPT AN AMENDMENT TO THE LINE EXTENSION POLICY

WHERE AS, Kittitas County Public Utility District No. 1 finds it beneficial to update the Line Extension Policy which was originally adopted May 26th, 2015 in Resolution No. 849 and revised on June 12th, 2018 in Resolution No. 997; and

WHERE AS, the commission desires to amend the current policy to include the cost of voltage transformation to all classes of new customer connects; and

WHERE AS, the policy amendment only applies to line extension applicants henceforth and all applicants with unpaid aid to construction or applicants with projects which have not been released for construction. All other applications shall receive notification of the policy change prior to receipt of payment of aid to construction.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of Kittitas County Public Utility District No. 1 approve and adopt the amendment to the line extension policy, as set forth in Exhibit A attached hereto.

IN WITNESS WHEREOF, the undersigned, being all the members of the Board of Commissioners of Kittitas County Public Utility District No. 1 have executed this Resolution of the Board of Commissioners on this 23rd day of February 2021.

JOE OLEARY

[JOE OLEARY \(Feb 25, 2021 13:57 PST\)](#)

Joe O'Leary, President

Shan

[Shan Rowbotham \(Feb 25, 2021 14:37 PST\)](#)

Shan Rowbotham, Vice President

Rick Catlin

[Rick Catlin \(Feb 26, 2021 07:53 PST\)](#)

Rick Catlin, Secretary

EXHIBIT A

LINE EXTENSION POLICY

February 23, 2021

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POLICY INTENT

The objective of a line extension policy is to preserve the fairness in costs between existing customers and new customers. The Line Extension policy is a tool for the Commissioners, staff, and customers to fully understand the rules and requirements of line extensions and to assure that the District power sales are not subsidizing line extensions. Customers will be responsible for the cost for line extensions and requested changes in services.

The facilities located from the substations to the ownership point of demarcation, typically the meter, will be owned and maintained by the District. The facilities located beyond the ownership point of demarcation are customer owned and maintained.

Wherever practical, lines will be installed along roads or other accessible routes to areas being developed to allow efficient operations and maintainability of lines. The District will approve all locations prior to construction. The customer shall supply the District with the necessary rights- of-ways or easements satisfactory to the District prior to installation.

The District will have the right to connect subsequent customers to all District owned and operated facilities. There is no late comer's fee or subsequent customer rebate.

PUD Contribution

The District may desire to waive project costs on projects if it provides for system enhancement, improves safety, and reliability. Engineering shall determine the District contribution to a project. The General Manager shall approve the PUD contribution if it is deemed beneficial to the District.

Metering Costs

Meters are owned and maintained by the District. The revenue grade meter is supplied by the District at no cost to the customer. All wiring for metering, including District provided instrument transformers, test switches and remote meter bases shall be charged to the customer and included in the cost proposal. The District will provide maintenance and repair or end of life replacement for normal use.

Engineering Costs

To maintain system sustainability and reliability, the District may require formal engineering review. These studies will determine if the existing facilities have the capacity for the new load request as well as capacity for additional loads without negatively affecting the safe operation of the District system. The District will determine if an internal engineering analysis provides adequate information or if an external electrical engineering firm will be engaged to complete an Engineering Study. The customer will be responsible for the cost of any formal engineering analysis or study prior to initiation of a formal study.

Charges and Fees

The simple service fee is based on the average cost for the service requested and is listed on the District Fee schedule. Levels of service, based on length of service, are evaluated on an annual basis to determine the average cost of each service. The fee is then charged for all service requests for that level of service.

A capacity charge is based on the expected demand for a typical single-phase customer in our service area and if the connected service is to a shared or dedicated transformer by kVA rating. The capacity charge for a dedicated transformer will be cost based on kVA rating. The charge is evaluated annually and is listed on the District Fee schedule.

DISTRICT RESPONSIBILITIES

All line extensions will be subject to the District's determination of feasibility and will be located and designed by the District to ensure a safe, reliable, and sustainable electric system. Any materials provided by the customer, as required by the District, are considered a contribution-in-aid to construction and, therefore, become the property of the District. Any materials provided by the District are owned and maintained by the District and charged to the customer prior to installation. All construction shall conform to the District's standards.

The District will provide at the customers expense the following equipment, services, and guidance:

- Design the requested facilities up to the ownership point of demarcation, to District standards.
- Cost proposal and job drawing for either a simple service or work order.
- District labor, equipment and material required to construct the facilities up to the ownership point of demarcation.
- Stake, schedule and coordinate installation of customer and district facilities.
- Self-contained or remote revenue grade meter, at PUD expense.
- Potential and/or current transformers for remote meter-base installations.
- Distribution transformers.
- Change orders for alterations to the project which impact the costs to the responsible party.

CUSTOMER RESPONSIBILITIES

All customer work performed must comply with District standards and be approved and accepted by the District. Failure by the customer to perform these functions in accordance with the District's approval shall be justification for the District to withhold electric service to the customer until such time that corrections are made.

The customer is responsible for providing and conforming to the following:

- Completed and signed Service Application with non-refundable application fee.
- Signature acknowledgement and payment of cost proposal prior to scheduling and energizing.
- Payment of change orders for alterations of the design.
- Proof of rights of way, ownership, and project approval by the appropriate regulatory body and District acceptance for the property to be served.
- Meter base constructed to District standards.
- Labor & Industry inspection and permit approval documentation.
- Rights-of-ways clearance on private property and copies of easements for extended facilities, as required by the District, prior to the installation of service.

- Copy of Kittitas County approved and recorded short or long plat (if applicable).
- Trenching, conduit, backfill and other requirements in accordance with the design and District standards.
- Unrestricted access for the District to all District-owned facilities (up to point of demarcation).
- Any non-standard service wire or connectors for non-standard installs (typically, large commercial services, refer to District standards).
- UBI number for all commercial services.

COST PROPOSALS

Each project type is initiated by an application which initiates District engineering to prepare a cost proposal to include materials, labor, engineering and overhead.

Each customer applying for electric service, or changes to existing services, requiring the installation of District facilities shall complete an application and pay an application fee. On receipt of the complete application, District engineering will prepare a cost proposal. The cost proposal will identify what type of project the applicant requires; 1) simple new service or service alteration on existing transformer or 2) work order which may require a construction agreement and/or mandatory deposit for shared transformers.

Work Orders under \$25,000 once reviewed, accepted and paid in full, should not exceed 12 months to complete or the Work Order will be closed, and a new application will be required. Any customer Work Order exceeding \$25,000 total cost in the proposal or with a mandatory deposit for shared transformers, will require a construction agreement between the Applicant and the District.

Simple Services

Single phase, 120/240 voltage services need District engineering approval. Simple services require wire and District meter only to complete.

These customer requests for new simple services do not require the installation of a new transformer and will be charged a one-time capacity charge, plus a fee for the average cost for installation of similar sized services. Simple service fees shall be updated with the annual calculation of Fees and Charges addressed in the Customer Service Policy.

Temporary Meters

Typically requested for construction of new commercial and residential permanent services or the alteration of existing services. Upon approval by labor and industries, the District will allow the temporary placement of a meter for a period not to exceed 12 months, since these services are not intended to be permanent. Location of temporary meters must be within 10 feet of an existing District transformer unless approved by District engineer.

At the end of the 12-month period, the District will notify the customer of the temporary service expiration and may disconnect the service if appropriate and reasonable. In that instance, a new application and connection fee may be required to keep the temporary service for an additional 12 months.

Work Orders

Customer requests for installation of District facilities not considered Simple Services are completed by a District Work Order. These include new line extensions, alterations and upgrades to existing facilities, new plats/developments, and District projects. Work Orders require a cost proposal based on the labor, material, transportation, overhead costs, and other charges necessary to complete the requested work. The District will use change orders to document design changes, additional labor, equipment, or materials required to complete the project and charge or credit the appropriate party.

As part of all work orders, customers shall pay for a capacity charge to be determined annually and calculated by either a dedicated or shared usage of the transformer selected. Transformers will not be installed unless there is a meter to be energized at the time. See plat/development exception and deposit requirement below.

District engineering will determine if the requested transformer is considered shared or dedicated use transformer based on the following guidance. A transformer located within an easement or on a property line with a restricted adjacent vacant building site restricted to within 250 feet of the requested transformer shall be classified as shared transformer location.

Line Extensions

Primary line extensions are required when services requested are greater than 250' from an existing transformer or District facilities or the project requires more than wire and meter only (see simple services above). Typically, 7200/12,470 voltage distribution extension, including overhead or underground facilities.

Plats/Developments

Customer requests for line extensions to serve multiple lots or multiple services are considered plats and developments. The District requires proof of a Kittitas County approved long or short plats prior to the acceptance of this type of request. Design requirements vary depending on the size of the plat, which may include a single or multi-phase looped design. Developers with cost proposals greater than \$25,000 shall necessitate a construction agreement between the Applicant and the District and may be expected to pay a refundable deposit as defined in the agreement.

Developments with lot sizes one half ($\frac{1}{2}$) acre or smaller or as required by District engineering shall install transformers and pay a deposit to cover the full cost of the transformers. Deposit release, as defined in the construction agreement, would occur when the terms of the agreement are met or the end of a 5-year period from the date of executed agreement. The Deposit return is based on the percentage of energized service connections.

Alterations and Upgrades

Customer requesting an alteration or upgrade of existing facilities will be required to pay the costs of the work order. It is the customer's responsibility to notify the District well in advance of adding load to allow sufficient time to upgrade the facilities. If a customer fails to notify the District or uses the added load before the District can upgrade its facilities, and the District's facilities are damaged as a result thereof, the customer will be responsible for payment for such damage. Similarly, if a customer's added load has a negative impact on the existing District system and other customers, the customer will be responsible for payment of resulting system improvements.

Relocations – Overhead or Underground

Customer requesting the relocation of District-owned equipment or facilities, such as poles, anchors, enclosures, transformers, conductors, vaults, and other devices, etc., and the District approves the request, shall pay the costs for removal and relocation as determined by the District. The customer shall supply the District with the necessary rights-of-ways or easements satisfactory to the District.

Conversions - Overhead to Underground

Customer requesting conversion of an existing overhead line to underground will be responsible for all trenching and conduit per District standards, rewiring the service entrance to accommodate the underground connections, providing the necessary rights-of-ways or easements satisfactory to the District, and costs associated with the installation and removal of the existing facilities, as outlined in the cost proposal.

Upgrades of existing facilities

Customer requesting upgrades to existing facilities such as transformers, conductors, capacitors, and protective devices to accommodate new or additional load will be responsible for all costs associated with the removal and upgrade of existing facilities.

Change Orders

The District will use change orders to document design changes, additional labor, equipment, or materials required to complete the project and charge or credit the appropriate party. The unforeseen costs, including labor or materials and will be charged to the project.

Resolution No 1091 - Line Extension Policy Revision

Final Audit Report

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