

## RESOLUTION CC-16-20

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### A RESOLUTION OF THE CITY OF SHASTA LAKE CITY COUNCIL APPROVING AN ELECTRIC SERVICE CONNECTION POLICY AND ADOPTING THE ELECTRIC SERVICE SYSTEM RULES AND REGULATIONS

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**WHEREAS**, the City of Shasta Lake operates a not-for-profit, publicly-owned, municipal electric utility in the business of providing retail electric energy distribution and serving load of end-use customers; and,

**WHEREAS**, a primary function of the electric utility is to connect customers to the distribution grid; and,

**WHEREAS**, the capital investment for new connections need to be fair proposition for both existing and new customers; and,

**WHEREAS**, it is the desire of City to implement a fair, consistent and objective methodology for evaluating the City's contribution to an electric service connection.

**NOW, THEREFORE, BE IT RESOLVED** that the Shasta Lake City Council directs the City Manager to implement the following electric service connection policy:

#### Electric Service Connection Policy

- I. **Objective:** To provide a method by which the City of Shasta Lake Electric Department will extend electric lines and facilities to serve Applicants that have paid an application charge and completed a written or electronic application for electric service within the retail service area of the City of Shasta Lake.
- II. **Policy Content:**
  - a. In the event that upgrading, construction, or extension of facilities is required to provide service to the Applicant, the City will furnish the facilities required but not to exceed a cost greater than the allowable construction credit established for the service classification being applied for, unless the Applicant makes an in-aid-to-construction contribution.
  - b. The estimated construction investment shall include the costs of materials, equipment, engineering, and labor, including administration overheads, fringe benefits, and the costs of service transformers and metering equipment, needed to complete the construction for service to the Applicant. The estimated construction investment will include only the non-betterment costs of the construction required to provide service to the Applicant. A non-betterment cost excludes the costs of replacement or addition of facilities solely for the benefit and at the election of the City.
  - c. Where the estimated construction investment exceeds the established allowable construction credit, the City will receive from the Applicant an in-aid-to-construction contribution. The in-aid-to-construction contribution will be determined as the monetary difference of the non-betterment portion of the estimated construction investment less the allowable construction credit established by this policy.

d. The City will connect facilities up to the metering point of the Applicant. Costs beyond the metering point are the responsibility of the Applicant and not subjected to the contribution from the City. The City will determine the investment required to provide the Applicant with service. Costs above the required investment are charged directly to the Applicant.

e. The allowable construction credits established by this policy are as follows:

1. The service furnished to an Applicant of the City is subject to the contributions to serve the load in the table below. The contribution is based on 80% of the maximum value. Costs in excess of the amounts listed below are subject to an in-aid-to-construction contribution.

Electric Service Connection Contributions		
City's in-aid-contribution	Max	80%
Residential In-fill	\$ 3,664	\$ 2,931
Residential Subdivision - 5-year	\$ 1,525	\$ 1,220
Residential Solar - In-fill	\$ 1,832	\$ 1,466
Residential Solar - Subdivision	\$ 953	\$ 762
Social Service	\$ 10,329	\$ 8,263
Commercial Service	\$ 8,453	\$ 6,762
Industrial Service	\$ 64,044	\$ 51,235
Small Industrial Service	\$ 17,045	\$ 13,636
School	\$ 2,078	\$ 1,662

2. The in-aid-to-construction contributions were calculated based on class averages, if customer load is anticipated to vary substantially from the class averages the following alternative calculation may be used at the discretion of the City. The City will use the following amounts based on the new load. (Amount times the estimated annual usage of the new load.)

Revenue Class	Unit Basis	Contribution per Unit	Recovery (in years)	Rate of Return
Residential In-fill	kWh	\$ 0.06834	7	7%
Residential Subdivision 5 years	kWh	\$ 0.06834	5	7%
Residential In-fill + Solar	kWh	\$ 0.06834	7	7%
Residential Subdivision + Solar	kWh	\$ 0.06834	5	7%
Social	kWh	\$ 0.07967	10	7%
Commercial	kWh	\$ 0.06952	5	7%
Small Ind	kW	\$ 25.01	3	7%
Industrial	kW	\$ 15.31	3	7%
Schools	kW	\$ 10.92	5	7%

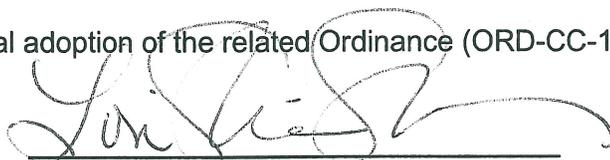
- f. The City reserves the right to review and modify the electric service connection contribution amount and method of contribution to reflect the service characteristics of the project and consider factors such as risk of project, rates charged and contribution amount.
- g. Applicants or customers with an existing residential service who are requesting an upgrade of facilities greater than 200-amp capacity will pay 100% of the cost of facilities upgrade.
- h. In the event an Applicant pays to extend an electric service connection to reach a proposed service property, there will be a maximum of a 36-month look-back window, that an existing customer may receive rebate for another newly activated electric service connected off said existing extension.

**FURTHER, BE IT RESOLVED that the Shasta Lake City Council adopts Electric System Service Rules and Regulations as presented in attached Exhibit.**

**PASSED, APPROVED, AND ADOPTED,** this 1st day of February, 2016 by the following vote:

**AYES: FARR, KERN, WATKINS, CHAPMAN-SIFERS**  
**NAYS: NONE**  
**ABSENT: MORGAN**

Resolution to take effect upon 2<sup>nd</sup> reading and final adoption of the related Ordinance (ORD-CC-16-246).

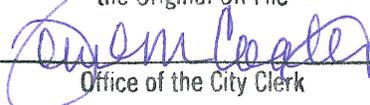
  
**LORI CHAPMAN-SIFERS, Mayor**

**ATTEST:**

  
**TONI M. COATES, CMC, City Clerk**

I Certify That This is a True  
and Correct Copy of  
the Original On File

By:

  
Office of the City Clerk