

ORDINANCE 888

AN ORDINANCE ADOPTED BY THE CITY OF CENTRAL CITY, NEBRASKA TO AMEND CHAPTER 6, ARTICLE 4 OF THE MUNICIPAL CODE, INSTALLATION EXPENSE; TO PROVIDE FOR AN EFFECTIVE DATE.

Section 1) That Chapter 6, Article 4, Section 6-406 of the Municipal Code of the City of Central City be amended to read as follows:

SECTION 6-406: INSTALLATION EXPENSE

The expense of installation and equipment up to but not including the electrical meter loop shall be paid by the City, following the General Extension Policy. The expense of installation and wiring from the meter loop to the points of distribution shall be the responsibility of the consumer. Maintenance and replacement expense shall be apportioned in the same manner.

The retail electric rates of the City are based on cost of service to deliver electric power and energy from existing facilities. The purpose of this extension policy is to establish general conditions under which the City will make extensions or additions to electric facilities and the general guidelines to be followed in determining a Customer contribution.

In general, the City will make permanent extensions of electric lines and facilities, without cost to the Customer, where the estimated revenue to be received from the service will provide an adequate and continuous return on the City's investment. The City reserves the right to determine the advisability and legality of making any extension. Extensions made by the City shall remain the property of the City in accordance with existing agreements.

The Total City Investment in an extension shall mean the total project cost including all materials, labor and applicable overheads to serve a proposed load, but excluding Customer provided facilities and costs described in Section C.2 (Extraordinary Construction Costs) and C.3 (Underground Extensions) below, and excluding betterment costs. Betterment costs are additional costs for electric system improvements that are not required solely for the extension to the Customer, but are costs that the City elects to incur now due to anticipated or planned electric system capacity or configuration requirements.

PERMANENT EXTENSIONS

A. Year-Round Service

1. Overhead Extensions to Individual Single Family Residences

a. Less Than One-Half (1/2) Line-miles - The City will construct up to one-half (1/2) line-miles of single-phase overhead line extension, including the service, of its electric distribution system at no cost to the Customer for an individual year-round single family residence, except for Customer provided facilities and costs as outlined in Section C.2 (Extraordinary Construction Costs) below.

b. Greater Than One-Half (1/2) Line-miles - Customer shall be responsible for and shall be required to make a Contribution in Aid of Construction (CIAOC) for all extension costs above one-half (1/2) line-miles of single-phase overhead, including the service and Customer provided facilities and costs as outlined in Section C.2 (Extraordinary Construction Costs) below. Determination of a CIAOC shall be the Total City Investment for the total extension less the cost of a ½ mile extension. The Customer shall pay the entire amount of the CIAOC to the City.

c. Three-Phase Service - If three-phase service is required, the additional three-phase extension costs will be considered part of the Total City Investment and a CIAOC, if applicable, shall be determined as in paragraph b. above.

2. Underground Extensions to Individual Single Family Residences

a. When underground construction is requested, the City shall determine if underground construction is appropriate. The Customer shall reimburse the City for all trench and conduit for primary, secondary and service conductors in accordance with City specifications and policies. In addition, the Customer shall be responsible for certain facilities and costs as specified in Section C.2 (Extraordinary Construction Costs) below.

b. If the estimated Total City Investment for the extension is greater than the Standard Extension Cost, the Customer shall be required to pay to the City a non-refundable Contribution in Aid of Construction equal to the amount that the estimated Total City Investment exceeds the Standard Extension Cost.

c. If three-phase service is required, the Customer shall be responsible for the facilities and costs as described in Section C.3.b below.

3. All Other Classes

Extensions to all other classes taking year-round service include, but are not limited to, residential subdivisions, multi-dwelling units, commercial, and industrial Customers.

a. Allowable Investment Limit – The Allowable Investment Limit (AIL) shall be equal to five (5) times the estimated annual gross revenue. For non-betterment extensions (such as the relocation of existing facilities that impede development of new load on the same site) the determination of the AIL shall include net increases in revenue, if applicable. The annual revenue of the existing service during the

prior twelve (12) months will be used in estimating increased annual revenue expected from the non-betterment extension.

b. Overhead Construction - The City will construct extensions to its electric lines and facilities at no cost to the Customer, except for Customer provided facilities and costs as outlined in paragraph 'C' (Customer Responsibilities) below, provided that the estimated Total City Investment in such extensions does not exceed the City's Allowable Investment Limit (AIL).

If the estimated Total City Investment in an extension exceeds the AIL, the Customer shall be required to make a non-refundable Contribution in Aid of Construction equal to the amount that the estimated Total City Investment exceeds the AIL in accordance with paragraph C.1 (Contribution in Aid of Construction) below.

c. Underground Construction – When underground construction is requested, the City shall determine if underground construction is appropriate. If the City determines that underground construction is appropriate, the City will construct the extension at no cost to the Customer, except for Customer provided facilities and costs as outlined in paragraph C.2 (Extraordinary Construction Costs) and C.3 (Underground Extensions) below, provided that the estimated Total City Investment in such extensions does not exceed the City's Allowable Investment Limit (AIL).

If the estimated Total City Investment in an extension exceeds the AIL, the Customer shall be required to make a non-refundable Contribution in Aid of Construction equal to the amount that the estimated Total City Investment exceeds the AIL in accordance with paragraph C.1 (Contribution in Aid of Construction) below.

B. Seasonal Service

Extensions to classes taking seasonal service include, but are not limited to, irrigation and grain drying.

1. Allowable Investment Limit - The allowable Investment Limit (AIL) shall be equal to one and one-half (1 ½) times the estimated annual gross revenue. For non-betterment extensions (such as the relocation of existing facilities that impede development of new load on the same site) the determination of the AIL shall include net increases in revenue, if applicable. The annual revenue of the existing service during the prior twelve (12) months will be used in estimating increased annual revenue expected from the non-betterment extension.

2. Overhead Construction – The City will construct overhead extensions to its electric lines and facilities at no cost to the Customer, except for Customer provided facilities and costs as outlined in paragraph C.2 (Extraordinary

Construction Costs) below, provided that the estimated Total City Investment in such extensions does not exceed the City's Allowable Investment Limit (AIL). If the estimated Total City Investment in an extension exceeds the AIL, the Customer shall be required to make a non-refundable Contribution in Aid of Construction equal to the amount that the estimated Total City Investment exceeds the AIL in accordance with paragraph C.1 (Contribution in Aid of Construction) below.

3. Underground Construction – When underground construction is requested, the City shall determine if underground is appropriate. If the City determines that underground is appropriate, the City will construct the extension at no cost to the Customer, except for Customer provided facilities and costs as outlined in paragraph C.2 (Extraordinary Construction Costs) and C.3 (Underground Extensions) below, provided that the estimated Total City Investment in such extensions does not exceed the City's Allowable Investment Limit (AIL). If the estimated Total City Investment in an extension exceeds the AIL, the Customer shall be required to make a non-refundable Contribution in Aid of Construction equal to the amount that the estimated Total City Investment exceeds the AIL in accordance with paragraph C.1 (Contribution in Aid of Construction) below.

C. Customer Responsibilities

1. Contribution in Aid of Construction – Where a Customer Contribution in Aid of Construction (CIAOC) is required, the entire amount shall be paid to the City or, an acceptable surety bond or irrevocable letter of credit shall be provided to the City.

2. Extraordinary Construction Costs – The customer will be responsible for Extraordinary Construction costs and facilities where conditions exist that do not allow for use of standard construction practices, such as making provisions for extraordinary clearances and atypical right-of-way acquisitions. Examples of extraordinary clearance provisions include: tree and stump removal, establishing site final grade, etc. Examples of atypical right-of-way acquisitions include condemnation proceedings, governmental agency applications, etc.

3. Underground Extensions

a. The Customer shall reimburse NPPD for all trench and conduit for primary, secondary and service conductors in accordance with City specifications and policies.

b. Customers requiring three-phase service, in addition to the above requirements, shall provide the following:

- i. The transformer pad in accordance with City specifications.
- ii. Dedicated three-phase transformer installations normally require an instrument rated metering system to be installed on the secondary bushings of the padmounted transformer or in a metering cabinet located on the outside of the Customer's facility. The Customer shall be responsible for all service conductors from the point of delivery as defined by the City. Where distributed metering is installed within the Customer's facility, as approved by the City, the Customer shall be responsible for the service conductors from the point of delivery as defined by the City.

D. Recalculation of Contribution in Aid of Construction

If, during the five-year period from the initial in-service date, one or more additional Customers are served from the original line extension, the Contribution in Aid of Construction (CIAOC) for the original Customer will be recalculated to include the additional Customers and investment. If the recalculated CIAOC is determined to be less than the original amount of CIAOC calculated and paid by the Customer, the City will refund the difference on a prorated basis depending on the time period left after energization of the additional Customer(s) in the initial five-year period. The formula for refunding the difference is as follows: Original CIAOC less the recalculated CIAOC times the months remaining in the five-year period divided by 60.

E. Extensions to Loads Requiring Capacity of 5 MVA or More

1. Minimum Monthly Facilities Charge (MMF Charge)

a. The Customer shall enter into a Contract with the City for a term of five (5) years prior to construction of the extension. Such Contract will obligate the Customer to a minimum monthly bill (the MMF Charge) during the five (5) year period, as provided below.

b. The Calculation Basis for the MMF Charge shall be equal to fifty (50%) percent of the Total City Investment in the extension or, the non-recoverable construction costs of the extension, whichever is greater. The non-recoverable construction costs shall be equal to the estimated "in and out" costs to install and remove the extension, including ten percent (10%) of the costs of materials, including metering and transformers.

c. The Customer may request (limited to one time during the five (5) year term of the Contract), or at its option the City may conduct, a review of the Customer's Total Billing accumulated up to the date of the request. If the Customer's Total Billing (the total accumulated electric billing during the expired time period of the Contract term, including the actual MMF Charges) is greater than or equal to the

Calculation Basis, the MMF Charge shall be discontinued and the Contract shall be terminated.

TEMPORARY EXTENSIONS

A. For any single-phase temporary service requiring an extension of one span or less, including removal of the same upon completion of service, the Customer will be billed \$80.00, which includes the City's Connect Charge for new accounts. This type of temporary service would be provided from existing distribution secondary in the area and would include installation of a meter on a Customer supplied service pole and meter loop.

B. For any extension of the City's existing electric lines and facilities which involves more than a single span or requires three-phase service, a "non-refundable service charge" collected in advance of construction will be required. This charge will be equal to the estimated in and out costs to install and remove this service, including ten percent (10%) of the cost of materials, including metering and transformers. Temporary extensions include service to any Customer class which, in the opinion of the City, is considered temporary service in nature, even though service may be used for a period of a year or longer. Examples of temporary extensions may include carnivals or road construction batch plants.

Section 2) That all ordinances and parts of ordinances passed and approved prior to the passage and approval of this ordinance and in conflict therewith are hereby repealed.

Section 3) That this ordinance shall be in full force and take effect from and after its passage, approval and publication in pamphlet form according to law.

PASSED AND APPROVED this 12th day of June, 2006.

City of Central City
Merrick County, Nebraska

BY: _____
Clayton Erickson, Mayor

ATTEST:

David Rish, City Clerk