



ENGINEERING MEMO 1.2

DATE: December 12, 2016

SUBJECT: Contribution in Aid of Construction (CIAC)

KPUB Line Extension Policy and Service Regulations requires customers who request two-way feed, underground service, line relocation, or any non-standard facilities to reimburse the estimated excess cost above that of standard service. Standard service is described as a standard overhead feed. Contribution in Aid of Construction (CIAC) calculations should exclude the equipment cost of any transformers unless redundancy is requested by the customer.

The rates KPUB charges for electrical service are based on recovering the cost of a standard overhead installation. Work Orders that are estimated to be in excess of standard installation costs must be reimbursed to avoid these excess costs being paid by all customers.

The attached CIAC form shall be used when collecting the proposed charges and executed by the customer. Copies shall be kept in Accounting and with the Work Order file. The CIAC shall be clearly shown on the Work Order.

There may be circumstances where the CIAC is waived, such as when a line extension will be used to serve other customers in the near future or corresponds with planned system improvements. A statement describing the circumstances and reasoning shall be included in the Work Order narrative whenever a CIAC is waived.

The CIAC is calculated using a standard construction cost per foot as specified by the line extension policy. These standard costs are tabulated in Attachment A and include the Work Order or Assembly Unit to derive the cost. This source information should be used to ensure the charges are applicable.



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ATTACHMENT "A"

Standard Construction Cost

- 1) Single Phase Overhead Primary: \$9.56 per foot
 - i) As based on Work Order: 3702506 & 3702508
- 2) Three Phase Overhead Primary: \$15.57 per foot
 - i) As based on Work Order: 3702506 & 3702508
- 3) Security Lights
 - a) Any primary line construction, customer will be required to pay total estimated cost
 - b) Install a pole: \$635.00
 - i) As based on Assembly Unit: P35C5 - HOT
 - c) Install a transformer: \$350.00
 - i) As based on Assembly Unit: G35XK - HOT
- 4) Temporary Service
 - a) Install/Remove a temporary transformer on an existing K.P.U.B. Line: \$450.00
 - i) As based on Assembly Unit: G35XK - HOT
 - b) When a customer requests temporary service and there is need to construct a line which will ultimately be removed (not used for permanent service), customer will be required to pay the estimated cost to construct and remove said line.