



#### **EXECUTIVE SUMMARY**

This report is an update of the analysis of the electric line extension policy for customers of Columbia Water and Light (CWL) completed in 2015. Appendix A provides a copy of the 2015 report. This update summarizes the line extension policy and highlights policies by customer type:

- Residential (not in developments)
- Developers
- Small General Service (Commercial
- Large General Service (commercial/Industrial)
- Mixed Use (Apartments etc.)

The modifications to the 2015 Study was to achieve the following objectives:

- 1. Simplify the implementation of the 2015 study
- 2. Separate the allowable contribution from connection fees (impacts on the transmission and substation facilities). All calculations separately identify the allowable contribution and is reduced by the impacts on the backbone facilities
- 3. Identified the maximum investments CWL can contribute toward extension of service to a new customer to help ensure investments will not result in higher rates for existing ratepayers
- 4. Consideration of State of Missouri laws on line extensions for new customers

The primary purpose of this report is to help ensure growth benefits all customers, not adversely impacting electric rates and is fair to new customers. To determine the utilities maximum contributions toward the extension of services to new customers the analysis identified the fixed costs recovery received by CWL through rates charged to customers. This contribution is used to identify the maximum contribution, the steps to complete the analysis are detailed in Appendix A. The Appendix details

- Identified fixed cost recovery from customers based on new customers rate class and usage of electricity
- Identify the impact new customers have on future construction costs for transmission and substation facilities (Connection Fees)
- Identified the maximum investments CWL can contribute toward extension of service to a new customer to help ensure investments will not result in higher rates for existing ratepayers.

#### Summary of Modification from 2015 Study

In 2015 an analysis was completed identifying the maximum contribution CWL should invest in extension of service to a new customer. The study was completed to achieve the following objectives:

- 1. Ensure extension of service to a new customer did not result in increased rates to existing ratepayers and growth benefited all customers
- 2. To ensure fairness to new customers and ensure new customers did not subsidize existing customers by paying an unfair portion of the line extension.

The study reviewed the portion of the rate used to recover line extension costs from the portion used to recover variable costs (primarily power supply) this identified the maximum CWL contribution without consideration of the backbone impacts and was converted to the allowable limits in the table below. The study identified the impacts new load creates on the backbone facilities and is shown in the table below under "Less Impact". The difference between Allowable Limits and Less Impacts are the maximum investment CWL can make in new infrastructure to serve without causing upward pressure in electric rates to existing ratepayers.

Customer Class	S. I. The Lord	lowable Limits	1 TRA	ess pact	1923	t Maximum ontribution
Residential & Apt. Service	\$	952		181	\$	771
Residential & Apt. Service Space Heating	\$	1,485		181	\$	1,304
Residential & Apt Heat Pump	\$	1,967		181	\$	1,786
Residential Combined	\$	1,127		181	\$	946
Small General Service		0.0800	0	.02348		0.05650
Demand Metered Combined	\$	12.21	\$	6.22	\$	5.99
Developer Contribution	\$	551		181	\$	370

Table One – 2015 Extension Study Summary Results

In 2016 a simplification and clarification of the original study was requested. One objective was separately showing the backbone impact charges in the calculation. A second objective was to simplify the administration of line extension policy. The original study required estimates of new customer usages and without a true up mechanism CWL was subjected possible under or over investments in the new customer. The table below summarizes the simplification of the 2015 study.

#### **Table Two Summary of 2016 Recommended Modifications**

Class		aximum estment	ckbone ct Charge	11727123	et CWL estment
Residential	\$	952.00	\$ 182.00	\$	770.00
Small GS		160.00	50.00		110.00
Large GS	1	160.00	50.00		110.00
Mixed Service		146.00	50.00	E MARY	96.00

The second study made the following modifications:

- 1. Modified residential backbone charges to \$182 (Rounding Adjustment)
- 2. Simplification of residential connection charge:
  - a. The average costs to extend residential service was estimated at \$1,771 and with the maximum investment of \$770 the difference of \$1,001 will become a flat charge to all residential connections outside developers subdivisions
- 3. Changed method for determining CWL maximum contribution for larger customers by using transformer capacity. This eliminated the need to estimate customer's usages or to implement a true up mechanism
- 4. The backbone impact charge also was modified as an impact per kVa of installed transformer capacity
- 5. Maximum CWL contributions to developments was separated between CWL contributions for developer and homeowner. The following simplifications were determined:
  - a. CWL often requires the extension of service into the subdivision and construction of the line around the developers subdivision. The maximum CWL investment for developments is \$569/per lot. Any extensions costing greater than the product of \$569 times the number of lots would be charged to the developer of the subdivision
  - b. When homes are constructed a service drop is constructed to connect homes to the existing lines constructed in the development. To simplify the homeowner would be charged a flat \$200 to extend service to the home.

#### **Summary of Proposed Policy:**

#### Listed below is a summary of the proposed policy and implementation.

*Residential* home owners outside of a subdivision will be charged \$1,000 per connection. This was determined by reviewing the average cost to extend service to a residential home outside a subdivision and the cost was reduced by CWL maximum contribution to identify the flat charge per home owner of \$1,000.

	Residentia Homeowne	
Estimated Cost to Extend Service	\$	1,771
Contribution by CWL		
Contribution Margin from Residential Customer	\$	952
Less: Connection Fee (Impacts on Backbone Facilities)	\$	182
Maximum CWL Investment	\$	771
Net charge to homeowner	\$	1,000

- Average estimated cost to extend new residential service was \$1,771
- Maximum CWL Investment of \$771 from Table Two (Please note rounding adjustments)
- For similarity between all utility policies the backbone fee is labeled connection fee in all example tables
- The backbone fee of 182 is described in table two and developed through review of total invested cost in backbone facilities and impact new residential customers have on the backbone facilities. (Cost of Service Study estimated average residential impact of 3.33 kW)

*Residential* home owners in a subdivision will be charged \$200 per connection. CWL will charge subdivision developer the actual cost of extending service to the subdivision less \$569 per lot.

A number of differences exist between homes in a development and homes constructed outside developments.

- 1. Developers often request CWL to extend service and construct a loop around the subdivision and when lot is purchased only the service drop is required to connect homes to lines constructed by the subdivisions developer
- 2. This varies from a home outside a subdivision which requires construction of facilities between the home and the nearest substation or distribution line
- 3. CWL maximum investment for developers of \$569 considered the total maximum investment for CWL less the impacts on the backbone and added the charge to the homeowner. The calculation is listed below:

Residential Home CWL Contribution Per Lot	551
Less: BackBone Connection Fee	182
CWL Contribution Per Lot	\$ 369
Plus Amount Charged to Homeowners	200
CWL Contributiion per lot for Developers	\$ 569

#### **General Service Customers:**

The determination of extension costs to charge general service customers is based on transformer capacity. Customers will be charged as follows:

- 1. The greater of the following:
  - a. Installed cost less installed transformer capacity in kVA times the investment policy credit

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- b. Backbone charges
- 2. Charges are limited to the actual cost to extend service as consistent with current interpretation of the laws of the State of Missouri

Credit per kVA varies by class of customer. This variation in kVA credit recognizes the service level the customer is served under and the average load characteristics of each rate class.

*Small General Service* customers will be charged greater of the cost of the extension less \$110 per kVA of installed transformer capacity or the minimum of \$50 times the installed transformer capacity. If the actual cost of extending service is less than the calculated charge the customer will be charged actual cost.

The maximum CWL contribution for small and large GS service was set on a contribution per kVa of installed transformer capacity. Through review of CWL's billing statistics, the billing demands average 66.45% of transformer capacity resulting in \$159 - \$160 per kVa. The backbone impacts also were converted to kVA of installed transformers capacity. The difference is CWL's maximum contribution per kVa. The calculation is listed below.

		Transformer	NPV per
	NPV	Size	kVa
CWL Maximum Contribution before Backbone Impacts	159,147	1000	159
Less: Impact on Backbone (Connection Fee)	49,608	1000	50
CWL Contribution per kVa			\$ 110

Please note direct subtractions vary due to rounding. i.e. \$159 was rounded to \$160.

The following tables provides examples of the Small General Service (SGS) line extension charge.

#### Example 1 - Line Extension Cost \$5,000 installed transformer capacity 25 kVA

Small General Service Example One (25 kVA Tran	sformer	)	中的行政问题
Determinants	主要に行	DEPOTES I	
Line Extension Cost	А	\$	5,000
CWL Max Investment			
kVA * Investment Policy Credit (\$110)	В	\$	2,750
Backbone Charge			
kVA * Backbone Policy Charges (\$50)	С	\$	1,250
Cost Less CWL Max Investment (A-B)	D	\$	2,250
Charge:			
Greater of D or C, Maximum of A		\$	2,250

• This example assumed the line extension cost was \$5,000 and the determination of the amount to charge the customer was determined as follows:

Line B - CWL maximum Investment for 25 kVa transformer is \$2,750 (Product of 25 kVa times \$110 = \$2,750)

- Line C Is the minimum charge to customers and is equal to the backbone charge. For a 25 kVa transformer the
  minimum charge is \$1,250. (Product of 25 kVa times \$50 = \$1,250)
- The charge to customer is the greater of the following two:
  - Actual costs less CWL contribution (\$5,000 minus the maximum investment of \$2,750 = \$2,250)
  - o or minimum charge for the backbone of \$50 per kVa or \$1,250

#### Example 2 - Line Extension Cost \$2,000 installed transformer capacity 25 kVA

Small General Service Example Two (25 kVA Tran	sformer	) 武江公	ようきれ 作を言
Determinants		e la professione	Sale in the
Line Extension Cost	А	\$	2,000
CWL Max Investment			
kVA * Investment Policy Credit (\$)	В	\$	2,750
Backbone Charge			
kVA * Backbone Policy Charges (\$)	С	\$	1,250
Cost Less CWL Max Investment (A-B)	D	\$	(750)
Charge:			
Greater of D or C, Maximum of A		\$	1,250
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#### Example 3 - Line Extension Cost \$1,000 installed transformer capacity 25 kVA

Small General Service Example Three (25 kVA Tra	ansform	er)	
Determinants	要認過是		
Line Extension Cost	А	\$	1,000
CWL Max Investment			
kVA * Investment Policy Credit (\$)	В	\$	2,750
Backbone Charge			
kVA * Backbone Policy Charges (\$)	С	\$	1,250
Cost Less CWL Max Investment (A-B)	D	\$	(1,750)
Charge:			
Greater of D or C, Maximum of A		\$	1,000

*Large General Service* customers will be charged the greater of the cost of the extension less \$50 per kVa of installed transformer capacity or the minimum of \$50 times the installed transformer capacity. If the actual cost of extending service is less than the calculated charge the customer will be charged actual cost. The following tables provides examples of the Large General Service (LGS) line extension charge.

#### Example 1 - Line Extension Cost \$125,000 installed transformer capacity 1,000 kVA

Determinants		- Diagonal -
Line Extension Cost	А	\$ 125,000
CWL Max Investment		
kVA * Investment Policy Credit (\$50)	В	\$ 50,000
Backbone Charge		
kVA * Backbone Policy Charges (\$50)	С	\$ 50,000
Cost Less CWL Max Investment (A-B)	D	\$ 75,000
Charge:		
Greater of D or C, Maximum of A		\$ 75,000

#### Example 2 - Line Extension Cost \$75,000 installed transformer capacity 1,000 kVA

Large General Service Example Two (1000 kVA Tr	ansform	ner)	14.7 5, 15,37
Determinants	gine this	20100	Sun Flore
Line Extension Cost	Α	\$	75,000
CWL Max Investment			
kVA * Investment Policy Credit (\$)	В	\$	50,000
Backbone Charge			
kVA * Backbone Policy Charges (\$)	С	\$	50,000
Cost Less CWL Max Investment (A-B)	D	\$	25,000
Charge:			
Greater of D or C, Maximum of A		\$	50,000

### Example 3 - Line Extension Cost \$25,000 installed transformer capacity 1,000 kVA

Large General Service Example Three (1000 kVA	Transfo	rmer)	
Determinants			
Line Extension Cost	A	\$	25,000
CWL Max Investment			
kVA * Investment Policy Credit (\$)	В	\$	50,000
Backbone Charge			
kVA * Backbone Policy Charges (\$)	С	\$	50,000
Cost Less CWL Max Investment (A-B)	D	\$	(25,000)
Charge:			
Greater of D or C, Maximum of A		\$	25,000

*Mixed Use Service* Customer will be charged the greater of the cost of the extension less \$96 per kVa of installed transformer capacity or the minimum of \$50 times the installed transformer capacity. If the actual cost of extending service is less than the calculated charge the customer will be charged actual cost. The following tables provides examples of the Mixed-Use line extension charge.

### Example 1 - Line Extension Cost \$25,000 installed transformer capacity 200 kVA

Mixed Use Example One (200 kVA Transformer)	white 12		2.213 16
Determinants		1.24	
Line Extension Cost	А	\$	25,000
CWL Max Investment			
kVA * Investment Policy Credit (\$96)	в	\$	19,200
Backbone Charge			
kVA * Backbone Policy Charges (\$50)	С	\$	10,000
Cost Less CWL Max Investment (A-B)	D	\$	5,800
Charge:			
Greater of D or C, Maximum of A		\$	10,000

# Example 2 – Line Extension Cost \$15,000 installed transformer capacity 200 kVA

Mixed Use Example Two (200 kVA Transformer)		
Determinants	바닥소금	
Line Extension Cost	А	\$ 15,000
CWL Max Investment		
kVA * Investment Policy Credit (\$)	В	\$ 19,200
Backbone Charge		
kVA * Backbone Policy Charges (\$)	С	\$ 10,000
Cost Less CWL Max Investment (A-B)	D	\$ (4,200)
Charge:		
Greater of D or C, Maximum of A		\$ 10,000

# Example 3 – Line Extension Cost \$5,000 installed transformer capacity 200 kVA

Mixed Use Example Three (200 kVA Transformer)	Terra .	ast the
Determinants		And the second second
Line Extension Cost	А	\$ 5,000
CWL Max Investment		
kVA * Investment Policy Credit (\$)	В	\$ 19,200
Backbone Charge		
kVA * Backbone Policy Charges (\$)	С	\$ 10,000
Cost Less CWL Max Investment (A-B)	D	\$ (14,200)
Charge:		
Greater of D or C, Maximum of A		\$ 5,000

# Appendix A – 2015 Line Extension Report

#### **EXECUTIVE SUMMARY**

This report is an analysis of the electric line extension policy for customers of Columbia Water and Light (CWL). The analysis identifies the maximum contribution CWL should make to connect a customer to its electric facilities. The analysis identifies the value of the customer to the system and the impact on future costs for transmission and substation facilities.

The primary purpose of this report is to help ensure growth benefits all customers, not adversely impact electric rates and is fair to new customers. To determine the utilities maximum contributions toward the extension of services to new customers the analysis identified the fixed costs recovery received by CWL through rates charged to customers. This contribution is used to identify the maximum contribution, the steps to complete this analysis is listed below.

#### **Steps to Complete Analysis**

- 1) Identify revenues from each class
- 2) Identify variable cost related to power supply and city contributions
- 3) Determined contribution margins toward fixed cost recovery from each class
- 4) Convert contribution margin of each customer class to a per kWh or kW basis
- 5) Identify the impact new customer have on future construction costs for transmission and substation facilities
- 6) Recommend adjustments to existing electric line extension amounts

#### Step One - Variable Cost Analysis

The analysis uses the revenues from each customer class and subtracts variable costs to identify the contribution each customer class makes toward the fixed infrastructure costs of the system. Variable costs are identified in table two and the contribution margin formula in table three.

Table One – Variable Costs

Power Supply Expenses Meter Reading Billing Contribution to City for Franchise Fees

#### EXECUTIVE SUMMARY

#### **Step Two - Contribution Margin Formula**

Revenues from Class Less Variable Costs to Service Class Contribution Margin from Class

### Step Three – Determination of Perceived Risks

CWL has risks associated with serving each type of customer and may result in CWL not recovering its initial investment. Perceived risks consist of factors such as bankruptcy, reduction in anticipated usage, and installation of distributed generation. The perceived risk is quantified in the analysis through the recovery period to recover the initial investment. For example: Residential service has limited risk and a seven year recovery is used to determine the maximum contribution, where a commercial account has greater risk such as going out of business and a 5-Year recovery is used.

### Step Four - Contribution Margin per Billing Basis (kWh or kW) by Class

Each class's contribution margin is *present valued* for the specified time period that represents the class' perceived risk. (The greater the perceived risk the shorter the time period to recover the costs) The table below shows the maximum investment by rate class.

#### Average Contribution by Customer Class

Customer Class	Recovery Period (Years)	Utility In	vestment
Residential Service	7	\$0.0927	per kWh
Residential Service Space Heating	7	\$0.1111	per kWh
Residential Heat Pump	7	\$0.1053	per kWh
Small General	5	\$0.0800	per kWh
Demand Metered Combined	3	\$ 12.21	per kW
Developer Contribution	5	\$0.0673	per kWh

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#### Step Five - Maximum Investment before Impacts

The maximum investment before subtractions for customer impacts is listed below:

Electric Services		
and the second		
Residential & Apt. Service	\$ 952	per customer connection
Residential & Apt. Service Space Hea	\$ 1,485	per customer connection
Residential & Apt Heat Pump	\$ 1,967	per customer connection
Small General Service	\$ 0.0800	per KWh X total annual kWh's
Demand Metered Combined	\$ 12.21	per KW X total annual kW's
Developer Contribution	\$ 675	Per Lot
Customer Extension Portion	\$ 400	In Development, per lot

Residential – The maximum investment for customers was determined by using the contribution margin on a per kWh basis multiplied by the average annual usage for each residential class as listed below:

	Average Annual kWh Usage
Customer Class Residential Service	10,266
Residential Service Space Heating	13,359
Residential Heat Pump	18,684

Small General Service – Usage for each customer in this class can vary substantially and is determined using the contribution on a per kWh basis multiplied by the customer's projected annual usage.

Demand Metered – Usage for customer is determined using the contribution margin on a per kWh basis multiplied by the customer projected annual demand billings.

Developer – Developer contribution is determined using \$675 multiplied by the number of lots. Extension from the loop into the customer home is allotted \$400.

#### **Impacts on Transmission and Substations**

New customers have an impact on future capital investments in transmission and substations of CWL. The gross investment in transmission plant is \$31,426,954 and the peak demands for each class from the cost of services study was used to identify the impact on these facilities. The table below is the cost per KW for each new customer.

#### EXECUTIVE SUMMARY

	Impacts
Gross Investment in Transmission Plant	\$ 31,426,954
Peak NCP Demand of System from COS	338,125
Cost per kW of Demand	\$ 92.94

### Rate recovery for Transmission and Substation infrastructure

Rates charged by customers of CWL include a recovery for existing transmission and substation infrastructure. Projected annual recovery on the transmission and substations is \$2,061,345 as determined by the 2011 electric cost of service study. The table below is the recovery for each class of customers.

Year		Residential		Small General Service		Large General Service	
Revenue from Transmission and Transmission Substations	\$	2,061,345					
Recovery	Per	iod		ilian bin bin	1455	品。這些認知的	
The second of the second se	\$	2,061,345	\$	2,061,345	\$	2,061,345	
2		2,061,345		2,061,345		2,061,345	
3		2,061,345		2,061,345		2,061,345	
4		2,061,345		2,061,345			
5		2,061,345	E	2,061,345			
6		2,061,345	i de	というほどのなどが	1		
7		2,061,345				國際這些構	
NPV		12,994,517		10,306,727	-	6,184,036	
Peak NCP Demand of System from COS	-	338,125		338,125		338,125	
Allowable Credit from Rates		38.43		30.48	a a a	18.29	

The impact of \$92.94KW is reduced by the allowable credit listed in the table above. The revised impact per kW is converted to an impact for each residential customer, KWH usage for small general service and demands for large general service customers.

	Re	sidential	all General Service	S CONTRACTOR	je General Service
Revenue from Rates		38.43	30.48		18.29
Impact Charge per kW	\$	54.51	\$ 62.46	\$	74.66
Average Residential kW NCP from COS		3.33			
Average Commerical KWH per KW of NCP			2,660		
Transmission and Transmission Substation Impact	\$	181.54	0.0235	\$	6.22

The impact on the transmission and substation infrastructure is as follows: Residential \$181.54 per home; small commercial is 2.35 cents/KWH and Large General Service is \$6.22 per KW of demand.

### SIGNIFICANT ASSUMPTIONS

Certain assumptions were used to identify the maximum investment and the impacts on the transmission and substation infrastructure. The 2011 cost of service study was used to complete this analysis.

1) Revenues for each class - Based on 2011 cost of service study

- 2) Discount Rate (Rate of Return) -4.66%
- 3) Recovery Period:
  - Residential Service 7 year recovery
  - Small General Service 5 year recovery
  - Large General Service 3 Year recovery

### Allowable construction credits established by this policy are listed in the table below:

Customer Class	A	llowable Limits		ess pact	्म सार	t Maximum ontribution
Residential & Apt. Service	\$	952		181	\$	771
Residential & Apt. Service Space Heating	\$	1,485		181	\$	1,304
Residential & Apt Heat Pump	\$	1,967		181	\$	1,786
Residential Combined	\$	1,127		181	\$	946
Small General Service		0.0800	0.	02348		0.05650
Demand Metered Combined	\$	12.21	\$	6.22	\$	5.99
Developer Contribution	\$	551		181	\$	370

Allowable Limits – Is the net present value of customer's recovery toward fixed costs of the system Less Impacts – Is the customer's impact on the transmission and sub transmission system Net Maximum Contribution – Is the maximum allowable investment established in this policy

## **Proposed Policy**

I. Objectives:

To provide a method for use by the Columbia Water and Light to extend electric lines and facilities to serve Applicants that have made a written application for electric service within the retail service area of the Columbia Water and Light.

#### II. Policy Content:

- A. In the event that upgrading, construction, or extension of facilities is required to provide service to the Applicant, Columbia Water and Light will furnish the facilities required and establish a not to exceed utility cost. Costs greater than the allowable construction credit established for the service classification being applied for should make 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, service transformers and metering equipment, needed to complete the construction for service to the Applicant. The estimated construction investment will include a system impact fee and 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 system benefit and at the election of Columbia Water and Light.
- C. Where the estimated construction investment exceeds the established allowable construction credit, the Columbia Water and Light 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 allowable construction credits established by this policy are as follows:
  - a) The service furnished to a customer of Columbia Water and Light is subject to the following maximum contributions. Costs in excess of the amounts listed below are subject to an in aid to construction contribution from the Applicant.
    - a. Residential and apartment service \$771 per customer connection
    - b. Residential & Apt. Service Space Heating \$1,303 per customer connection
    - c. Residential & Apt Heat Pump \$1,785 per customer connection
    - d. Small General Service \$0.056 per KWh X annual total kWh
    - e. Demand Metered \$5.99 per KW X total annual kW
    - f. Developer Contribution \$371 Per Lot

- g. Customer Extension Portion \$400 in development, per lot
- b) Customers who make connections under this policy are required to sign a Five year contract with the Columbia Water and Light for service under the proposed rate. Customers are not allowed to change rates during the five year period without prior approval of the Columbia Water and Light. The Columbia Water and Light may assess a charge equal to the difference between the amount of time serviced under the rate and the remaining time on the five year contract:

For Example: If the initial cost of connection was \$1,500.00, and customers disconnect after four years, the following charge will be assessed: 1/5 times 1,500.00 = \$300.00 charge to the customer.

c) Customers with an existing service who are requesting an upgrade of the facilities to serve additional load, the Columbia Water and Light will contribute the following amounts based on the additional (new) load.

(Amount times the estimated annual usage of new load)

- A. Residential & Apt Services \$0.0751 per annual kWh's of estimated sales
- B. Residential and Apt Service Space Heating \$.0934 per annual kWh's of estimated sales
- C. Residential and Apt Heat Pump \$.0876 per annual kWh's of estimated sales
- D. Small General Service \$.056 per annual kWh's of estimated sales
- E. Demand Metered \$5.99 per annual kW of estimated sales
- d) The Columbia Water and Light will connect facilities up to the metering point of the customer. Costs beyond the metering point are the responsibility of the customer and not subjected to contribution from the Columbia Water and Light.
- E. A development period of five (5) years will apply to all extensions which require an inaid-to-construction contribution. This five year development period will commence with the date service is first supplied to the Applicant. If, during this five year period one or more additional service applications, or an upgrade in use that includes a residence, are requested to be served from the line extension, the in-aid-toconstruction contribution will be recalculated to include the additional Applicants or the upgrade in use to a residence. If the recalculated contribution(s) is determined to be less, the Columbia Water and Light will refund the pro-rata difference.

#### III. Responsibility

A. Columbia City Council shall be responsible for approval with the annual Water & Light Advisory Board review to determine if the policy continues to meet the policy objectives.

Date Adopted: