

FORT LOUDOUN ELECTRIC COOPERATIVE
VONORE, TENNESSEE
Board Policy No. 308

SUBJECT: **AID OF CONSTRUCTION (RESIDENTIAL SERVICES)**

OBJECTIVES:

To promote clarity in regard to line extension costs, the Cooperative shall resolve:

- A. to establish a standard for determining cost estimates for construction.
- B. that aid of construction be assessed and required in regard to all extensions of the line.
- C. that a standard for average allowance toward aid of construction be established by the Cooperative in regard to residential services.

POLICY:

The Cooperative shall establish a method for calculating construction costs. For the purposes of this policy, cost of service shall include material and labor costs for the installation and or removal of any primary, secondary, transformer(s), metering equipment, and other materials and equipment. Cost of service shall be determined using all available estimation tools, including but not limited to the estimation program(s) available through the accounting and billing software, staking software, and/or mapping software. The established method of determining construction costs shall be utilized in all instances to promote clarity and uniformity in costs.

The member shall be required to pay the balance of the cost of construction prior to obtaining service, unless approved by management for other arrangements. The member shall be required to pay all cost above any allocation(s) given by the Cooperative.

All allocations shall be approved by the General Manager/CEO prior to publication or use by the Cooperative (see Operational Bulletin 308-A). These allocations shall be calculated and published periodically by the Cooperative to reflect changes in costs of labor and materials. All allocations (or credits) are subject to Cooperative determination of material needed for the average service. At no time shall an allocation toward line extension result in a refund to the membership. The Cooperative will quarterly assess the costs associated with residential jobs using current data from engineering and accounting; and, a sheet will be derived for use by engineering personnel that shows the costs after allocations are applied to specific job costs (see operational bulletins, an example of the current "Engineering Department Job Costs Worksheet") which will be utilized in quoting pricing to members and future members.

