

FAQs about WFEC's line extension policy

Avoid extra charges on a new electric service

Getting a new electric service built involves more than just calling West Florida Electric Cooperative to send a crew to construct a line to your property. Before you add or upgrade an electric service, you must obtain a permit from your county's building department, as you read in last month's *Current Light Flashes*. Additionally, depending on the length of line needed, WFEC might have to charge you for compensation in aid of construction, or CIAC.

When building a longer-than-average line extension, WFEC exacts a CIAC fee so the Co-op member directly benefitting from the extension bears the cost of its construction. Aimed at ensuring fairness, the practice prevents WFEC's entire membership from having to absorb an added expense incurred on behalf of one member. Besides construction costs, WFEC's staking engineer might assess charges for right-of-way clearing required for your new service, as well.

If you're preparing to add a new electric service, being familiar with WFEC's CIAC policy can help you save money. For instance, you might avoid paying an extra charge by building closer to an existing line. The following are questions WFEC members frequently ask about CIAC:

How much residential primary line will WFEC construct without any charge?

WFEC will provide, without charge to eligible members, up to 1,800 feet of overhead primary line, including the transformer, meter, service wire, poles and equipment to all permanent residential homes. Non-residential services, including pumps, barns, seasonal homes, campers and other services using less energy than a year-round residence, will receive 500 feet without charge.

How much primary line will the Co-op build without charge to my commercial business?

The length of primary line built to a business depends on the expected energy sales, and WFEC calculates the CIAC charge based on a return-on-investment formula.

How does WFEC calculate the CIAC charge if I need a longer line extension?

The Co-op charges residential consumers \$2 per foot for a single-phase primary line extension. For instance, if you require 2,000 feet, the CIAC charge will be \$400 for the additional 200 feet. However, the charge for three-phase lines normally required by businesses is \$3.50 per foot for a longer-than-average line extension.

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Must I pay the CIAC in advance of construction?

No, you may pay a monthly fee of two percent of the CIAC charge for 60 months, with a 7.2 annual percentage rate. For example, on a \$400 CIAC charge, you'll owe \$8 per month for 60 months.

Do I own the line extension, and may other consumers use it?

WFEC maintains ownership of all the electric lines it serves. However, if you've paid a CIAC charge for an extension to which other services are later connected, you may be eligible to receive a partial refund, provided the additional services are less than 1,800 feet and were connected within the first 48 months of service to the line extension.

Why did WFEC adopt this policy?

The Co-op builds approximately 1,100 new services per year at an average cost of \$1,500 each. The annual energy sales for a member who requires a longer-than-average line extension will not be sufficient to pay the cost of the additional line. Over time, all WFEC consumers would pay increased rates to cover the excessive cost. The policy prevents this adverse impact on WFEC's electric rates.

How does WFEC's CIAC policy compare with those of other electric utilities?

The Florida Public Service Commission designed the policy and requires that all electric utilities within its jurisdiction apply the policy to new line extensions. WFEC's policy is filed with and approved by the PSC, and is intended to prevent uneconomical line extensions from affecting the electric rates of all Co-op consumers.



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