ORDINANCE NO. 2022-32

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, AMENDING MULTIPLE SECTIONS OF RICHLAND MUNICIPAL CODE TITLE 14: ELECTRICITY, RELATED TO UNDERGROUND SERVICE LINES, NET METERING, LINE EXTENSIONS AND POLE ATTACHMENTS.

WHEREAS, the City has need, from time to time, to amend the Richland Municipal Code (RMC) to bring local ordinances into alignment with development approaches and best business practices; and

WHEREAS, the City strives to provide the lowest responsible cost of service to citizens, and is responsible for recovering the costs of operating and maintaining its electric utility primarily through retail rates; and

WHEREAS, the City utilizes a cost of service analysis (COSA) to align costs to the respective rate classes and development services; and

WHEREAS, the electrical distribution material costs necessary to support development services have increased substantially; and

WHEREAS, the Utility Advisory Committee (UAC) has reviewed and approved a recommendation to recover upfront electrical distribution material costs associated with line extensions supporting development services; and

WHEREAS, the UAC has reviewed and approved additional proposed changes to Title 14 RMC as provided herein.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

<u>Section 1</u>. Richland Municipal Code Section 14.16.050, entitled Underground service lines, as first enacted by Ordinance No. 90, and last amended by Ordinance No. 41-17, is hereby amended as follows:

14.16.050 Underground service lines.

The department will provide underground electric service in accordance with the following regulations:

A. Underground Service to a Development.

1. Primary Service Lines. High voltage underground service will be provided to developments where feasible. The department will provide and install all or a portion of the trenching, cable, junction boxes, and pad-mounted transformers and will coordinate the work with any other utilities involved for that portion of construction performed by the department. Developer will provide and install the conduit and vault system as designed by the department.

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- 2. Secondary Service Lines. The department will provide and install cable and junction boxes. Developer will provide and install the conduit system as designed by the department. Secondary service lines are usually installed for the convenience of the department and will be provided as needed by the department.
- 3. Service Lines. The service lines between the transformer, the secondary service lines or distributing points will, except for trenching <u>and conduit</u>, be installed by the department and sized to provide adequate service reliability, voltage regulation and safety.

B. Underground Service to a Subdivision.

- 1. Primary Service to a Subdivision. The department will may provide and install all or a portion of the trenching, cable, junction boxes and pad-mounted transformers and will coordinate the work with other utilities involved for that portion of construction performed by the department. Developer will provide and install the conduit and vault system as designed by the department.
- 2. Secondary Service Lines. The department will provide and install cable and junction boxes. Developer will provide and install the conduit system as designed by the department. Secondary service lines will be installed for convenience to the department and constructed as needed.
- 3. Service Lines. All service lines will be underground except in those instances where the owner or builder has justifiably proved that it is not feasible and that overhead lines are required.
- C. Conversion of Existing Overhead to Underground.
 - 1. Service Lines. Existing overhead service lines may be converted to underground as follows:
 - a. Customer Convenience. When the customer wishes to have overhead services placed underground before normal replacement is required, the department will inspect premises and prepare cost estimates of the new installation. If it is determined that underground installation is feasible, the customer will be advised of technical aspects of their part in revamping building service entrance. The department will install underground service from pole to the customer's point of connection and prorate charge to the customer on the following basis:
 - i. Customer provides trench and conduit and pays all costs incurred.
 - ii. Customer shall be responsible for coordinating with other utilities which may be affected.
 - b. Department Convenience. When it becomes necessary to relocate service lines for reasons pertinent only to the department, each customer will be offered an opportunity to convert his entrance to concealed underground service and assume at least a portion of the expense. The department will install a conduit riser on outside of building to connect from underground to existing entrance connection in those instances where customer does not desire a concealed service entrance.

- 2. Secondary Service Lines. These lines are only for use by the department and will be placed underground where feasible.
- 3. Primary Service Lines.
 - a. Customer Convenience. All primary lines may be placed underground for customer's convenience with the total cost of the project paid by a local improvement district and/or the customer.
 - b. Utility Department Convenience. The department may convert primary service lines in an entire area from overhead to underground when pole deterioration or other factors pertinent to the operation of an electric utility makes such work necessary.
- D. Commercial and Industrial Services.
 - 1. Underground service to commercial and industrial customers will be provided <u>and owned</u> <u>by the customer</u> <u>by the department when deemed feasible by the director</u>.
 - 2. Since commercial and industrial installations combine varied arrangements, the director reserves the right to evaluate each individual installation.
- E. Easements. The department will be provided with necessary easements at no cost to the city.
- F. Overhead Services. Overhead services can be provided from an underground installation where justified by setting a short service pole adjacent to the power source.

<u>Section 2</u>. Richland Municipal Code Section 14.16.110, entitled Meter tests, as first enacted by Ordinance No. 90, and last amended by Ordinance No. 41-17, is hereby amended as follows:

14.16.110 Meter tests.

The department will make periodic tests and inspections of meters and will make additional tests or inspections of meters at the request of any customer. No charge shall be made for any such additional test if there is a meter error of more than two percent.

If the meter error is two percent or less, the actual cost of such additional test but not less than \$25.00 shall be charged to and collected from the customer.

If any test shows a meter error of more than two percent, a pro rata adjustment shall be made in the customer's billing for a period of not more than 90 days prior to the date of the test; provided, that in no event shall any adjustment be made for any period prior to the date of any previous meter test.

<u>Section 3.</u> Richland Municipal Code Section 14.24.040, entitled Trouble calls, as first enacted by Ordinance No. 90, and last amended by Ordinance No. 13-19, is hereby amended as follows:

14.24.040 Trouble calls.

The customer shall notify the department immediately should service be unsatisfactory for any reason or should there be any defects, trouble or accidents affecting the supply of electricity.

The department will be responsible for promptly making repairs to damage occurring to city equipment, which impairs service to its customers or results in a hazardous condition. When a trouble call is made at a customer's request, and the trouble is due to the customer's acts, negligence, or to failure of his equipment or wiring, the minimum charge shall be actual cost, plus overhead costs, but in no case less than \$15.00. Billing costs shall be as determined by the chief electrical engineer.

<u>Section 4</u>. Richland Municipal Code Section 14.24.130, entitled Rental lightings, as first enacted by Ordinance No. 39-15, and last amended by Ordinance No. 13-19, is hereby amended as follows:

14.24.130 Rental lighting.

For municipally owned <u>legacy</u> rental lighting facilities consisting of overhead construction with mast arms and luminaires mounted on poles, service shall be provided at the request of property owners or long-term lessees of property pursuant to the applicable rental lighting rates published in the city's user fees and charges schedule. Lighting facilities supplied under this provision shall remain the property of the city and shall be supplied only pursuant to a contract with the customer, the term of which shall be a period of not less than three years. <u>Current lighting practice is for new lighting to be owned and maintained by customer on customer property without city infrastructure or maintenance support.</u>

<u>Section 5</u>. Richland Municipal Code Section 14.24.130, entitled Net metering, as first enacted by Ordinance No. 13-19, is hereby amended as follows:

14.24.220 Net metering.

A net metering customer shall be billed according to the applicable retail electric rate in RMC 14.24.060. Each net metering customer shall be charged the daily service charge and the energy charge for all energy delivered to the customer from the utility for the applicable billing period. Each net metering customer shall be credited the energy charge for all real energy received by the utility from the net metering system. This shall occur until the earlier of June 30, 2029, or the first date the electric utility's cumulative generating capacity of net metering systems equals four percent of the utility's 1996 peak demand as specified in Chapter 80.60 RCW, at which time the customer shall be credited the avoided cost of energy per kWh. The electric utility's 1996 peak demand was 204,768 kilowatts.

Any received real energy (kWh) accumulated from the customer as of March 31st each calendar year shall be granted to the utility without any compensation to the customer-generator. Customers with net metering systems approved and installed after November 1, 2018, shall be assessed a net metering infrastructure fee per kWh of received generation as listed in the city fee schedule. The net metering infrastructure fee shall be calculated as the current retail kWh rate less the avoided cost of energy.

Each net metering customer Customers with net metering systems approved and installed after November 1, 2018, shall be assessed a net metering application installation fee as listed in the city fee schedule.

<u>Section 6</u>. Richland Municipal Code Section 14.30.030, entitled Standard construction and construction payment classifications, as first enacted by Ordinance No. 12-94, and last amended by Ordinance No. 59-15, is hereby amended as follows:

14.30.030 Standard construction and construction payment classifications.

A. Permanent Service. Permanent service is applicable to overhead or underground electric line extensions for secondary or primary service where the use of service is to be permanent and where a continuous return to the department of sufficient revenue to support the necessary investment is reasonably assured.

For electric service of a permanent character, the department will install, at its expense, necessary overhead or underground electric distribution extension facilities equivalent in cost to the gross embedded investment per customer as the standard construction allowance. A review and recalculation of the standard construction allowances will be made from time to time.

Applicant shall be required to pay to the department as a construction payment all estimated costs for electric distribution facilities necessary to serve applicant in excess of the standard construction allowance. Said construction payment shall be refundable in part or in its entirety during a five-year period if a valid latecomer agreement has been signed. At the end of said five-year period, any remaining construction payment becomes nonrefundable.

B. Indeterminate Service. Indeterminate service is applicable to overhead or underground electric line extensions for service which is of an indefinite or indeterminate nature, such as that required by, but not limited to:

- 1. Real estate subdivisions and development of property for sales;
- 2. Other enterprises of speculative characteristics; or
- 3. All other service to which neither permanent service or temporary service is applicable.

For electric service of an indeterminate character involving real estate subdivisions and development of land for sale, applicant shall be required to pay to the department as a construction payment all estimated costs for necessary overhead or underground electric distribution extension facilities. Said construction payment may be refundable to the developer in part or in its entirety during a five-year period if a valid latecomer agreement has been signed commencing with the extension completion date after which At the end of said five-year period, any remaining unrefunded construction payment becomes nonrefundable. For all other types of electric service of an indeterminate character, applicant shall be required to pay to the department the entire estimated cost for necessary overhead or underground electric distribution extension facilities as a nonrefundable construction payment. No standard construction allowance will be permitted in these instances.

The amount of the refund to developers of commercial real estate, where more than one meter can be installed, shall be determined by the department on a case-by-case basis. The refund amount shall be based on the number of lots connected to permanent residential service in the five-year period following completion of the project investment and projected revenue considerations. In no event shall the refund standard construction allowance be greater than the estimated cost for the

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<u>line extension</u> nonresidential standard construction allowance or less than the applicable residential standard construction allowance.

C. Temporary Service. Temporary service is applicable to overhead or underground electric line extensions where service is of a known temporary nature.

For electric service of a temporary character, the applicant shall be required to pay to the department as a construction payment an amount equal to the estimated cost of installing and removing all necessary overhead or underground electric distribution extension facilities, less the estimated salvage value. If temporary service is continued for more than 18 months following the extension completion date, the nature of such continued service will be evaluated and, if appropriate, reclassified as indeterminate service.

<u>Section 7</u>. Richland Municipal Code Section 14.31.020, entitled Notification and coordination, as first enacted by Ordinance No. 8-98, and last amended by Ordinance No. 29-01, is hereby amended as follows:

14.31.020 Notification and coordination.

A. Each joint pole user shall <u>submit a joint use application to the department for approval for each attachment project</u> give prior written notification to the <u>public works director for each attachment project</u>. The notification shall be given in a timely manner to allow for ample engineering and coordination by all affected joint pole users. The joint pole user shall obtain a construction permit per RMC 14.31.030 before attaching to city-owned poles.

- B. Each joint pole user shall promptly respond to city notifications related to, but not limited to, maintenance, relocation, rearrangement, violations or abandonment of joint pole installations.
- C. Whenever it is necessary to replace or relocate a joint-use pole, the city shall give notice thereof in writing at least 30 days prior to date on which it intends to change such pole (except in case of emergency, when verbal notice will be given and subsequently confirmed in writing) to the joint pole users. Each joint pole user shall relocate facilities to the new pole within 60 days at the expense of the joint pole user as provided below. When circumstances warrant additional time to relocate, the director or his authorized representative may grant such additional time as is reasonable under the circumstances.
 - 1. Relocation of poles requiring overhead lines to be relocated overhead. If such relocation is reasonably necessary for construction, alteration or improvement of the right-of-way for purposes of public health, safety and welfare, as required by the city, grantees may not seek reimbursement for their relocation expenses from the city unless otherwise provided for by law. In the event the relocation is requested by a private third party, that third party shall pay the cost of relocation.
 - 2. Relocation of facilities from overhead to underground. If such relocation is requested by the city when reasonably necessary for construction, alteration or improvement of the right-of-way for purposes of public welfare, health and safety, the grantee may not seek reimbursement for its relocation expenses from the city, unless otherwise provided by law. If requested by a private third party, the third party shall pay the cost of such relocation.

- 3. In the event of abandoned poles by the city, all joint pole users may be afforded an opportunity to purchase such poles at a fair market value, in accordance with city policy and state law.
- D. The city, as pole owner, may deny access if the attachment project will result in safety, reliability, or generally accepted engineering standards not being met, and where the city retains future use of structure. Nothing herein contained shall be construed to compel the city to maintain any of its poles for a period longer than is necessary for its own service requirements. In the event the city wishes to discontinue use of any such pole or poles and to remove, relocate and/or retire it or them, it shall send a written notice to that effect to the joint pole users and the joint pole users shall remove their attachments from such pole or poles within 60 days after the sending of such notice, or within such shorter period of time as is required in case of emergency.
- E. Sufficient coordination including submittal of project plans and exchange of information shall take place between joint pole users so that the attachment does not create a WAC violation or conflict. All joint users shall promptly share design specifications for their infrastructure with others upon request.
- F. Notwithstanding any other provisions of this chapter, notification requirements and reimbursement for relocation of facilities of a service provider as defined under RMC Title 28 RMC shall be in accordance with RCW 35.99.060.
- <u>Section 8</u>. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.
- <u>Section 9</u>. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

<u>Section 10</u>. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the 6th day of September, 2022.

Michael Alvarez, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City/Clerk

Heather Kintzley, City Attorney

First Reading: August 16, 2022 Second Reading: September 6, 2022 Date Published: September 11, 2022