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Date: May 29, 1992

AVERAGE UNDERGROUND COST DIFFERENTIAL

(Filed in compliance with 807 KAR 5:041 Section 21(5)).

Average cost differential of **UNDERGROUND PRIMARY** per foot: \$6.87

Average cost differential of **UNDERGROUND RESIDENTIAL SERVICE** per foot:

Option I: Cooperative to provide complete installation: \$4.02

Option II: Consumer to trench, install and supply conduit and backfill per Shelby RECC specification. Shelby RECC will supply conductor and other associated facilities to complete the installation: **NO CHARGE.**

NOTE: Above prices do not include rock removal or other procedures which may be taken to assure proper burial depth. If rock is encountered or other procedures are taken to insure proper depth, the actual additional cost shall apply.

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: *Shirley Hester*
PUBLIC SERVICE COMMISSION MANAGER

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UNDERGROUND RESIDENTIAL SERVICE

OPTION I:

Shelby RECC to provide complete installation of underground facilities from source to consumer's service entrance.

Average cost differential of \$4.02/ft. was determined by comparing the total cost of 41 underground residential service, Option I type installations with 145 overhead residential secondary and service installations. Please note that only the 21 URS Option I jobs occurring after May 1991 were considered for comparison due to a change that was made within our construction department regarding the make-up of the underground crew. This change significantly affected the overall cost of the jobs through increased productivity. (see attached work sheet.) The aforementioned changes have been permanently implemented into the approach of URS Option I construction at Shelby, and as a result these figures should be representative of current construction practices.

OPTION II:

Consumer agrees to trench and install conduit from Shelby RECC source to his/her service entrance and backfill trench. Shelby RECC agrees in return for meeting these conditions, to supply conductor and other associated secondary/service facilities to complete the URS Option II installation at NO CHARGE to the consumer. The rationale for this option was arrived at through comparison of total job costs of 41 URS Option II installations with 145 overhead residential secondary and service installations. Again, only URS Option II jobs occurring after April/May of 1991 were considered to take into account the change in underground construction crew format as discussed above.

This option is obviously not only becoming very popular with our members but it is also producing savings for the Cooperative in areas of manpower and materials related to this type of installation.

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BY: Clayton Haller
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