

Construction Fee Changes Fact Sheet



OVERVIEW

At the January Board meeting, the LCEC Board of Trustees voted to increase construction charges associated with new construction orders. These charges include the System Infrastructure Charge, the Initial Construction Charge, and Contribution in Aid of Construction Charge.

Fees for applications submitted after March 31st, 2024.

SYSTEM INFRASTRUCTURE CHARGE: \$750

A service charge per metered service for the establishment of service at a location that will become permanent.

INITIAL CONSTRUCTION CHARGE: \$300

Contribution toward the administrative costs associated with processing the initial temporary service and the subsequent temporary-to-permanent swing-over.

CONTRIBUTION IN AID OF CONSTRUCTION

Underground LCEC-Installed Trench \$3,185

Residential underground service with trench and conduit installed by LCEC.

Underground Customer-Installed Trench \$345

Residential underground service with trench and conduit installed by customer.

THE IMPACT OF RISING COSTS

127%

The cost for materials for new overhead service has increased 127 percent.

115%

The cost for materials for new underground service has increased 115 percent.

134%

The cost of 25KVA and 50KVA transformers has increased 134 percent.

137%

The cost of overhead conduit wire has increased 137 percent.



Source: LCEC Purchasing Records, from 2018-2023

LCEC works year-round to keep costs down while the expenses related to providing reliable electric service continue to increase.

Factors impacting the increase.

LCEC serves one of the fastest growing territories in the U.S. This growth requires significant investments in utility plant infrastructure to ensure reliable service.

- Substation costs have tripled to approximately \$15 million, or \$1500 per customer.
- Labor, material, and technology costs have increased across the nation for all utility functions.