

POLICY NO:	NG 001
POLICY TITLE:	NATURAL GAS UTILITY COST SHARING POLICY
DEPARTMENT:	NATURAL GAS UTILITY
APPROVAL DATE:	30-03-95 (March 1995)
REVISION DATE:	10-01-00; 21-02-03; 50-12-08 (December 9, 2008)
REVIEW DATE:	10-11-10PP (November 29, 2010)

Policy Statement:

The County of Vermilion River deems it appropriate to have legislative and administrative costs, relative to the operation of the Natural Gas Utility Department, funded by the users of the system and from monies received for completion of capital projects.

Purpose:

1. To clarify the administrative costs included under the flat amount of \$150,000.00, annually.
2. To simplify the process for splitting costs for administration resources that are shared.
3. To clarify the amounts to be allocated to capital projects and operating costs in the Gas Utility Department. Yearend journal entry deems 5% of capital revenue, to maximum of 1/2, to offset the administrative and legislative costs under this policy.
4. To use a process that contributes to a unified County approach rather than segregation of departments.

Related Information:

The County Gas Utility franchise area is not coterminous with the County boundaries.

Policy:

To be done on a cost recovery basis for the following Central Office expenditures with an estimated use by the Gas Utility Department of 30%:

Office Supplies (all forms, paper, etc.)	<u>Total</u>
Utilities (water, sewer, gas, phone, electricity, security)	
Postage - Freight (excluding billings)	\$25,250
Building/Furniture/Equipment	
Capital Replacements/Building Renovations	
Repairs and Maintenance	

Diamond System Support/Program

Caretaker/Supplies/Grounds

\$79,750

Legislative (includes per diem, mileage, subsistence,
memberships/registrations)

\$45,000

\$150,000