NEW SERVICE EXTENSION POLICY

FEBRUARY 2021

MIENERGY COOPERATIVE

POLICY: 502

APPROVED BY BOARD ACTION ON: 01/26/21

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SECTION 1 OBJECTIVE

1.1 *Electric Distribution Principles*

The Cooperative is committed to the principle of area coverage and will make electric service available to all applicants within its service area. This institution is an equal opportunity provider and employer. The Cooperative shall be the sole electric distribution provider within this service area unless otherwise required by law or governmental regulation.

1.2 *New Service Applicants*

This policy will ensure new service applicants are served on a timely and consistent basis.

1.3 *Share Line Extension Costs*

This policy will ensure that the new service applicant shares in the responsibility for line extension costs in order to avoid excess financial impact and risk to the Cooperative and its members.

SECTION 2 PRE-DESIGN POLICY

The following are required prior to design of the line extension:

2.1 *Application and Agreement for Electric Service*

Complete and sign an Application and Agreement for Electric Service. This agreement shall remain in effect for 12 months following the date of signature. The extension policy provisions in effect at the time of signature shall apply during this period.

2.2 *Application Fee*

Pay in advance a non-refundable application fee of $100.00 plus applicable state and local tax.

2.3 *Past Due Accounts*

Pay all past due accounts due the Cooperative.

2.4 *Membership Agreement*

Complete and sign a Membership Agreement. The applicant becomes a member after receiving electric service and is entitled to all rights of membership.

2.5 *Site Requirements*

Meet with a Cooperative representative at the new service location to coordinate siting requirements. Provide a plan of existing or anticipated structures or facilities above and below ground including the location of property corners.

2.6 *Additional Information*

Provide additional information that may be requested to assist in the engineering work.

SECTION 3 PRE-CONSTRUCTION POLICY

Upon completion of the initial engineering and design work, the following shall be completed before the project is released for construction:

3.1 *Location*

Owner of the property shall review and accept the proposed location of the electric facilities as staked by the Cooperative representative, as well as other requirements and conditions. If re-design is required after facilities are staked and agreed to, a $100.00 plus applicable state and local tax re-design fee per return trip shall be paid by owner.

3.2 *Permits*

A building/zoning permit and proof of property ownership shall be provided if requested by the Cooperative.

3.3 *Utility Right-of-Way Easements and Property Description*

Owner shall complete and sign a utility right-of-way easement and provide a legal description of the property if required by the Cooperative. All easement costs or permit fees shall be paid by the applicant. The applicant may be required to assist with obtaining easements and permits.
The applicant must grant or cause to be granted to the Cooperative, without charge, right-of-way over, along, across and under the premises and any adjacent road right-of-way for the construction, operation, maintenance and repair of the Cooperative's equipment. The Cooperative and its representatives may enter to construct, operate, maintain, repair or perform other duties necessary to maintain the Cooperative's facilities, including vegetation management.

3.4 *Wiring Affidavits or Inspection Certificates*

In Minnesota, when an electrical contractor is used, a Minnesota wiring affidavit shall be provided by the applicant. In Minnesota, if the electrical work is done by the owner, an inspection certificate shall be provided. In Iowa, an inspection certificate shall be provided. These documents must be provided to the Cooperative before the service can be connected and energized, including a temporary service.

3.5 *Right-of-Way Clearing*

Applicant shall be responsible for completing all right-of-way clearing along the entire line extension route in accordance with Cooperative specifications. Trees shall be cut, and brush removed from right-of-way.

3.6 *Grade Requirement*

Applicant shall have areas in which electric facilities are to be installed within six (6) inches of final grade before underground facilities will be installed.

3.7 *Fees and Charges*

Applicant shall have paid all fees or charges that are required for the line extension in advance of any construction. Every occasion the member initiates a change order and/or re-engineering is required after facilities are originally staked and agreed to, a $100 change order fee plus all applicable state and local taxes shall be paid by owner.

SECTION 4 GENERAL CONSTRUCTION POLICY

The following are general construction requirements for the installation of a line extension.

4.1 *Ownership of Electric Service Lines and Equipment*

The Cooperative shall own the electric service lines and equipment installed by the Cooperative. Any payments made by the applicant for the service extension shall not give ownership or control rights by the applicant over these facilities.

4.2 *Minimum Billing and Member Deposit*

Minimum billing on the account will begin at the time the service transformer can be energized regardless whether the meter has been installed or two months after construction of the service begins, whichever occurs first. The Cooperative may require a deposit or a written guarantee of a surety to guarantee initial payment of bills. The amount of the deposit for a premise which has previously received service shall not be greater than the highest billing of service for one month for the premise in the previous 12-month period. The deposit for a premise which has not previously received service shall be the member's projected one-month usage for the premise as determined by the Cooperative.

4.3 *Damage Liability*

The Cooperative is not liable for damage to the applicant's crops, trees, shrubs, fences sidewalks, driveways or other obstructions incident to the installation, maintenance or repair of the facilities if such damage was not caused by the Cooperative's own negligence.

4.4 *Estimated Construction Schedule*

An estimated construction schedule is determined after the applicant indicates the project is ready and the site is ready for construction and contribution in aid is paid in full. The estimated schedule is subject to revision due to unforeseen circumstances such as line repairs and maintenance work to restore power, equipment breakdown, unavailability of materials, or construction obstacles that delay progress. If the project does not proceed within 12 months, the applicant shall be required to reapply under the service line extension policy in effect at that time.

SECTION 5 CONSTRUCTION CHARGES POLICY

The following charges shall be paid by the member for line extensions, service upgrades and other construction services.

5.1 *Definitions*

- Allowance for construction – the cost of construction that the cooperative will provide for new service extensions and upgrades. The member will pay costs that exceed the construction allowance for new extensions and upgrades.
- Contribution in aid of construction - a nonrefundable cash payment covering the costs of an extension that are in excess of Cooperative funded allowances.
- Estimated base revenues - calculated by subtracting the Cooperatives purchase power costs from the estimated annual revenues.
- Estimated construction costs - calculated using the previous calendar year's average construction cost per foot for each type of extension plus site specific right of way costs. The costs for facilities built for the convenience of the Cooperative are not included. These costs will be adjusted annually.
- Extension - a distribution or secondary line extension other than a service line extension.
- Permanent service - defined as any service that is intended to remain in place on a continuing basis. A mobile home, which has had the undercarriage removed, been set on a permanent foundation, and has the license removed and returned to the state, becomes a part of the real estate and will be classified as a permanent residence.
- Point of delivery –On an underground secondary service the point of delivery is at the base of the overhead transformer or secondary lift pole, pad mount transformer or secondary junction box. On an overhead secondary service, the point of delivery is on the structure or member owned pole where the meter and disconnect are mounted as agreed to by MiEnergy.
- Service line extension - secondary line extension on private property serving a single meter.
- Temporary service - service that is not intended to remain in place on a continuing basis.

5.2 *Temporary Construction*

The applicant shall pay a fee of $250 plus the electric usage and other associated costs. The temporary service shall meet the electric code requirements and be acceptable to the Cooperative for location and installation. Temporary service extensions are those that will likely be used for a period of 12 months or less.

5.3 *Permanent Service for Individual Accounts*

The applicant shall pay in advance a contribution in aid of construction equal to the estimated cost of the line extension less an allowance for construction of $3,000. The estimated costs shall include the labor and material for all equipment installed including the transformer, service and meter. MiEnergy will not extend Primary line for distances of 200' or less unless load required based on engineering review. The allowance is approximately three years of revenue collected for distribution expenses from existing general service accounts. The member payment is nonrefundable.

5.4 *Permanent Service for Developments*

The applicant shall pay in advance of construction the estimated cost of the line extension. The estimated costs shall include the labor and material to supply electrical infrastructure to each lot in the development. Developments will have a utility easement of at least 10' in width running along the front lot lines for MiEnergy facilities. Developments started after January 1, 2020, will have meters with overcurrent protective disconnects at the transformer or secondary pedestals at the front lot line. From that point the Member will provide and install the service wire. Refunds of $3,000 for each meter installed within a five-year period will be provided, with a maximum total refund of the initial payment. The meter quantity will be based on the meters for each house or business. The allowance is approximately three years of average base revenue from general service accounts.

5.5 *Service Upgrades and Conversion to Three-Phase*

The applicant shall pay in in advance a contribution in aid of construction equal to the estimated cost of the conversion or upgrade less an allowance for construction of $3,000. The estimated costs shall include the labor and material for all primary equipment installed except for the cost of the transformer and meter. Charges to upgrade the transformer and meter will be paid by the

Cooperative because the member has existing equipment that will be returned to the Cooperative inventory. The allowance is approximately three years of average base revenue from general service accounts. The member payment is nonrefundable.

5.6 *Overhead and Underground Service Conductors*

5.6.1 Overhead Electric Service

In new installations, the member shall own and maintain all the equipment beyond the transformer or other secondary terminal point, as illustrated in Fig. OHS-1 This equipment includes but is not limited to the meter pole or mounting structure and the meter socket.

For services installed prior to 2020, MiEnergy owns and is responsible for maintaining the meter pole and overhead secondary wire from the transformer to the point of contact on the meter pole or structure. The member shall own and be responsible for the house knob or mast and meter equipment. In the event the service or meter pole is replaced by MiEnergy the ownership of the pole shall be transferred to the member and MiEnergy will stop ownership at the point of attachment. The ownership of facilities will be specified within the service map of MiEnergy.

In all cases, the member owns and is responsible for the wires from the meter location to other locations or buildings; any disconnect switches or breaker panels at the meter, the meter loop including the meter socket and connections.

5.6.2 Underground Electric Service

In new installations, the members shall own and maintain underground cable running from the transformer or pedestal to the meter location, including the meter socket disconnect, wiring and connections, as illustrated in Fig. UGS-2. The meter shall remain owned by the Cooperative. In subdivisions started prior to 2020, the meter can be installed on the home with consumer owned secondary from point of conversion to meter.

For services installed prior to 2020, the cooperative owns and is responsible for maintaining the wires running from the transformer or pedestal to the meter location on services up to 400 amps in size. The member shall own the meter socket and all wiring beyond the

metering point. In the event the secondary wire is replaced, the ownership of the new wire shall be transferred to the member.

The ownership of the secondary wire is specified within the service map of MiEnergy at each location for each account. The secondary wire will be identified as Consumer owned sec, and the member owns and is responsible for maintaining the secondary wire.

In all cases, the member owns and is responsible for the wires from the meter location to other locations or buildings; any disconnect switches or breaker panels at the meter, the meter loop including the meter socket and connections.

5.6.3 Replacement of Yard Poles

In the case of a MiEnergy yard pole being rejected and needing replacement, MiEnergy will ask the member to meet the new service requirements with meter equipment. If this is not possible, MiEnergy will replace the pole in place. The member will be required to hire an electrician to transfer the member equipment. If the member refuses, MiEnergy will hire an electrician and bill the member for the expenses as a pass through with no markup. When the job is complete, this will be a member owned pole.

5.7 *Distributed Generation*

The applicant shall pay in advance of construction the estimated cost to connect distributed generation (DG) such as a solar array that will operate in parallel with the Cooperative electric service. The costs include the special meter to measure the energy to and from the grid, changes to the transformer and other costs to upgrade the service to allow for a connection of the DG to the Cooperative grid. See the Cooperative's DG policy for more information.

5.8 *Metering Current and Potential Transformers*

Metering current and potential transformers are required for services 400 amps and larger and all 480Y/277-volt services. Member will provide the metering cabinet, meter socket, disconnect, wiring and conduit. The Cooperative will provide the metering current and potential transformers.

5.9 *Meter Loop*

The meter loop for 320 amps and smaller services shall be provided by the member. The meter loop equipment includes the service entrance conductors, conduit, meter socket with bypass lever, grounding and disconnecting equipment with overcurrent protection. The 320 amp and smaller meter loops are for self-contained meters.

5.10 *Primary Metering*

Primary metering is available for large industrial accounts that serve multiple buildings and require multiple transformers. Engineering review is required for approval of primary metering.

5.11 *Pole for Member*

The Cooperative will install a 35-foot class 5 pole suitable for installing service equipment at the member site for $1,000 if the Cooperative's line crew will be working at the member's site for work on an existing work order. Other sizes will be additional cost above the price of a 35-foot class 5 pole added at time of request.

5.12 *Extension Other Than Cooperative Design*

The Cooperative reserves the right to determine the route, design, and method of construction as it deems appropriate and necessary. If the applicant desires an alternate method or route of construction, the applicant shall pay the additional costs associated with the alternative and only if it is accepted by the Cooperative as a feasible method of installation. If the Cooperative selects a route or method of construction in order to make other improvements to its facilities or operations, the applicant shall not be responsible for those costs. In all cases, the Cooperative shall have the final determination of how and where the distribution facilities will be constructed. Customer requests for an alternate design will be considered to the extent such alternate design is feasible and will not have a negative impact on any other members.

5.13 *Moving of Cooperative Facilities*

If the Cooperative is asked to move any of its conductors or equipment temporarily or permanently, to provide physical clearance for any reason, a deposit to cover the estimated expenses will be required. Only authorized Cooperative representatives may move or remove any facilities belonging to Cooperative. The actual cost of the move shall be paid by the persons

requesting such moving of facilities. Any move or removal of Cooperative facilities upon request of any governmental authority shall be in accordance with applicable franchises, ordinances, statutes or regulations. The payment for the move of facilities must be made before the move takes place. If it is necessary that the facilities must be placed in public road right-of-way, the applicant may be required to pay an additional charge to reflect the potential of future relocation requirements.

5.14 *Excess Facilities*

The Cooperative will install facilities adequate to meet the member's anticipated load as a normal installation. If the member desires facilities in excess of a normal installation, the member must contact the Cooperative to determine availability and possible charges.

5.15 *Special Extension Review*

Service extensions with an estimated cost of at least $10,000 for a single-phase extension or $20,000 for a three-phase extension may be reviewed for alternative methods to determine the member payment based on a review of system benefits that may occur due to the extension. The system benefits could consist of increasing capacity, improving reliability or other factors that could reduce future operating and maintenance costs.

In the case of services with 50 Amps or less of expected load, there will be an engineering review to determine eligibility of $3,000 co-op contribution.

SECTION 6 SERVICE QUALITY POLICY

The following are requirements for maintaining acceptable service quality to members.

6.1 *Motor Starting*

Single-phase motors are to be operated so the starting current or locked rotor current is no more than 260 amps for 240 volt motors. Three-phase motors with a nameplate rating of 50 HP and larger will normally require starting equipment to reduce the locked rotor current. Members are to contact the Cooperative to determine the motor starting requirements for single-phase motors larger than 15 HP and three-phase motors larger than 50 HP. The Cooperative reserves the right to limit the number and size of motors installed on a service.

6.2 *Phase Converters*

Phase converters are an option to serve three-phase motor loads from single-phase distribution lines. The maximum size motor that can be connected to a phase converter is 40 HP to avoid voltage flicker concerns. Members are to contact the Cooperative to review requests for installing motors larger than 40 HP with phase converters.

6.3 *Voltage Availability*

The Cooperative will provide 120/240 volt single-phase and 208Y/120 and 480Y/277 volt three-phase service voltages. The 240-volt delta three-phase voltage isn't available with pad-mounted transformers and will be reviewed for special cases with overhead transformers.

SECTION 7 CONCLUSION

This policy provides the method for members to apply for electric service and the charges for the line extensions. The following is a summary of the policies covered in this document:

Table 1 Summary of Policies

Description	Proposed policy
Developments	Entire cost paid in advance, refunds for 5 years at $3000/meter
DG costs	Total cost paid by member
Engineering Fee	$100
Grade	Within 6 inches final grade
Meter Loop	Meter loops 320 amps and below provided by member
Metering CTs, PTs	Member provide meter cabinet and cooperative provides CT's and PT's
Motor starting	Maximum inrush current of 260 amps at 240 volts single-phase. Three-phase motors larger than 50 HP require soft starting equipment.
New Service	Member contribution in aid estimated cost of extension less $3,000. Costs include transformer, service and meter cost.
Phase converter	Maximum motor size of 40 HP
Pole for member	Crew on site - $1,000 for pole
Primary metering	Allowed for industrial accounts or as approved by an engineering review
ROW, Permits	Permits, easements, ROW, tree clearing paid by member
Service Upgrades and Convert to three-phase	Total estimated cost less $3000. Costs do not include transformer, service and meter cost.
Special extension review	Costs exceed $10,000 1-ph, $20,000 3-ph to be reviewed for options to reduce costs by evaluating system benefits
Temporary service	Total cost paid by member
Voltage availability	Standard wye voltage with case evaluation of delta
Transformer locations	To be no more than 20’ from gravel or hard surface driveway for access
Overcurrent protection	MiEnergy will require overcurrent protection and grade level metering on all new and upgraded services