

**TRAVERSE ELECTRIC COOPERATIVE, INC.**

**Wheaton, Minnesota**

**BOARD POLICY NO. 300**

**STANDARD RULES AND REGULATIONS**

**SECTION I - INTRODUCTION**

A. These rules and regulations set forth the terms and conditions under which electric service will be provided by the Cooperative. They shall apply to all classes of service and shall govern the terms of all agreements for such service except that the Cooperative reserves the right to enter into special contracts. Failure of the Cooperative to enforce any of the terms of these rules and regulations shall not be deemed as a waiver of the right to do so.

B. Any promises or agreements made by agents or employees of the Cooperative which are not in conformance with these rules and regulations, nor with the terms of special contracts executed by authorized representatives of the Cooperative shall not have a binding effect on the Cooperative.

C. No ownership rights in any facilities provided by the Cooperative shall pass to any person as a result of any contribution or deposit made under these rules. No deposit or contributions made by consumers shall be refundable unless expressly so provided in these rules.

D. Copies of the Cooperative's Rules and Regulations and Rate Schedules for electric service are open to public inspection at the Cooperative's office and are available upon request.

**SECTION II - TERMS AND CONDITIONS OF SERVICE**

**A. Ownership and Responsibility**

1. Cooperative Owned Facilities : The Cooperative will install, own, operate and maintain all distribution facilities up to the transformer. All service entrance conductor wiring from a point of connection to the Cooperative's transformer line at a location satisfactory to the Cooperative shall be the responsibility of the member. If building modifications hinder access to metering facilities, create a hazardous condition, or cause a violation of code, the consumer will be responsible for all costs incurred by the Cooperative to correct these conditions.

a. Access to Premises - The consumer/member shall provide at no expense to the Cooperative suitable space with provisions for installation and maintenance of the Cooperative's facilities on the consumer's premises. Authorized employees and agents shall carry identification furnished by the Cooperative and shall display it upon request. Failure to provide access for any of the above reasons may result in termination of service.

b. Use of Facilities - The Cooperative will not allow use of its poles or other facilities by others for installations or attachments of any kind without written authorization from the Cooperative. This includes, but is not limited to, electrical or communication equipment, lights, signs and fences. The Cooperative assumes no responsibility for property owned by others attached to its facilities. Unauthorized attachments to Cooperative facilities may be removed by the Cooperative.

c. Protection - The consumer shall use reasonable diligence to protect the Cooperative's facilities located on the consumer's premises, and to prevent tampering or interference with such facilities. The Cooperative may discontinue service in accordance with these rules in cases where the meter and/or wiring on the consumer's premises has been tampered with or energy is unmetered. In case of such unauthorized use of service, the Cooperative will continue service only after the consumer has agreed to pay for the unmetered energy used, pay all costs of discovery and investigation, and make provisions and pay charges for an outdoor meter installation or other metering changes as may be required by the Cooperative. Failure to enter into such an agreement or failure to comply with the terms of such an agreement shall be cause to discontinue service. Restoration of service will be made upon receipt of reasonable assurance of the consumer's compliance with the Cooperative's approved Standard Rules and Regulations.

2.Consumer Owned Facilities: The member/consumer will be required to furnish the following equipment and material before the cooperative will connect the service to the transformer.

- a) Install an over current protection-disconnect device with meter socket within 25 feet of transformer.
- b) All secondary wires and material to transformer.
- c) A copy of the state wiring permit.

The Cooperative reserves the right to deny or terminate service to any consumer whose wiring or equipment shall constitute a hazard to the Cooperative's equipment or its service to others. However, it disclaims any responsibility to inspect the consumer's wiring, equipment or any subsequent wiring changes or modifications and shall not be held liable for any injury or damage resulting from the condition thereof. The Consumer shall be responsible for the adequate performance of their owned facilities. Before purchasing equipment or installing wiring, it shall be the consumer's responsibility to

check with the Cooperative as to the characteristics of the service available. The Cooperative reserves the right to make reasonable service charges for work performed by Cooperative personnel from malfunction of the consumer's facilities.

## **B. Nature and Quality of Service**

The Cooperative will endeavor to, but does not guarantee to furnish a continuous supply of electric energy and to maintain voltage and frequency within reasonable limits. The Cooperative shall not be liable for interruptions in service, phase failure or reversal, or variations in the service characteristics, or any loss or damage of any kind or character occasioned thereby, due to causes or conditions beyond the Cooperative's control, and such causes or conditions shall be deemed to specifically include, but not be limited to the following; operation of safety devices except when such operation is caused by negligence of the Cooperative, absence of an alternate supply of service; failure, malfunction, necessary repairs or inspection of machinery, facilities or equipment; act of God, war, action of the elements; storm or flood; fire; riot; or civil disturbances; or the exercise of authority or regulation by governmental or military authorities. The consumer shall be responsible for giving immediate notice to the Cooperative of interruptions or variations in electric service so that appropriate corrective action can be taken. The Cooperative reserves the right without previously notifying consumer to temporarily interrupt service for construction, repairs, emergency operations, shortages in power supply, safety, and State or National emergencies and shall be under no liability with respect to any such interruption, curtailment or suspension.

## **C. Use of Service**

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy, unless a member shall qualify and engage in cogeneration and/or small power generation, used on the premises referred to in the application of such members for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board of Directors. Standby and/or supplemental onsite generation may be utilized only if the installation of the unit has been inspected by a duly authorized representative of Traverse Electric and all such plants shall be equipped with a manually operated double pole, double throw switch.

### **1. Notice of Intent**

a. Application - Prior to use of electric service, each consumer shall make proper application to the Cooperative, and shall furnish all reasonable information required by the Cooperative. Failure to comply with this requirement may result in refusal by the Cooperative to provide service. Any consumer using service without first notifying and enabling the Cooperative to establish a beginning meter reading may be held responsible for any amounts due for service supplied to the premises from time of last reading reported immediately preceding his occupancy.

b. Termination - Any consumer desiring termination of service shall so notify the Cooperative a minimum of five (5) working days in advance so the service may be discontinued on a mutually agreeable date. Consumer failing to give proper notice of intent to vacate the premises may be held responsible for use of service until a meter reading acceptable to the Cooperative is obtained.

## 2. Conditions of Use

The consumer shall not use the service in any way that causes a safety hazard, endangers the Cooperative's facilities, or disturbs service to other consumers. Failure to comply with this provision may result in discontinuance of the consumer's service. Consumer shall install only such motors or other apparatus or appliances as are suitable for operation with the character of the service supplied by the Cooperative, and electric energy must not be used in such manner as to cause detrimental voltage fluctuations or disturbances in Cooperative's distribution system.

The consumer shall be responsible for notifying the Cooperative of any additions to or changes in their equipment which might exceed the capacity of the Cooperative's facilities, or otherwise affect the quality of service. The consumer shall install and maintain the necessary devices to protect his equipment against service interruptions and other disturbances on the Cooperative's system, as well as the necessary devices to protect the Cooperative's facilities against overload caused by the consumer's equipment. Characteristics and installation of all such equipment or devices shall meet the approval of the Cooperative.

### a. Nonstandard Service

Consumers shall be liable for the cost of any special installation necessary to meet particular requirements for service at other than standard practices.

### b. Resale of Electric Energy

Consumers shall not resell to, or share with others, any electric service furnished by the Cooperative under the terms of its filed rate schedules not applicable to such resale of energy.

### c. Service to Single Metering Points

Where resale of electric service exists, the Cooperative will be under no obligation to furnish or maintain meters or other facilities for the resale of service by the reselling consumer to the ultimate user.

d. Point of Attachment

Traverse Electric's point of attachment shall be the transformer. The Cooperative will install service connections from its distribution lines to a suitable point of attachment on the consumer's premises designated by the Cooperative. Where the consumer requires a point of attachment other than that specified, the consumer may be required to stand the cost of additional facilities necessary to reach the point of attachment. Service will be provided to meter poles for farm service or other service where more than one structure is to be supplied from a single meter. Should it become necessary for any cause beyond the Cooperative's control to change the location of the point of attachment, the cost of any changes in the consumer's wiring made necessary thereby shall be borne by the consumer.

e. Insulation Requirements for Electric Heating

Any new consumer, or a conversion consumer, contemplating installing electric heat as the primary heat source in their home should install insulation to meet the minimum "R" Values necessary to provide for efficient use of service.

#### **D. Metering and Metering Equipment**

The consumer shall permit only authorized agents of the Cooperative or other persons lawfully authorized to do so, to inspect, test or remove the meters. If the meters or metering equipment are damaged or destroyed through the neglect of the consumer, the cost of necessary repairs or replacements may be required of the consumer. The Cooperative reserves the right to make final decisions with respect to methods and equipment used in measurement of loads for billing purposes. Adjustments due to inaccurate meters shall be limited to the preceding twelve months.

1. Meter Testing - All testing of metering equipment will be done by qualified personnel. The Cooperative may, at its option, either conduct field tests on the consumer's premises, or remove metering equipment for shop testing.

a. Routine Tests - The Cooperative will, through test procedures, endeavor to maintain its metering equipment within accurate limits. The Cooperative shall test its single phase meters a minimum of every seven (7) years.

b. Test Requested by Consumers - Request to have individual meters tested will be referred to the Cooperative's Member Service Department. The Member Service Department shall determine whether or not the meter should be tested for accuracy. No charges will be assessed for meters being tested the first time. The Cooperative reserves the right to refuse to test any meter upon request more frequently than once in six months. Consumers requesting meter test more than once in a given one (1) year period will be required to pay the electrician hourly labor rate for all such tests.

c. Failure of the Turtle device or the meter to register – If an error is discovered in a meter reading and/or billing statement, the Cooperative will make every effort to correct the error with the consumer. Balance owed will be billed or credits given on the next billing statement. The reading on the meter shall be considered the correct reading and not a reading recorded by the Turtle device. When the meter has stopped or has failed to record usage, the Cooperative will make a charge to the consumer for energy estimated to have been used based on prior history usage on the account limited to the previous twelve months.

In order to establish a timeframe for adjustments and liability due to turtle/meter reporting failure, the following will apply:

1. If the error was not caused by the consumer's or his/her electrician's actions or electrical equipment or breakers, the time period corrected will be limited to the preceding twelve months. The adjustment will be based on prior history usage on the account if actual use for the twelve month time period is not available.
2. If the consumer brings a potential problem or error to the cooperative's attention and the problem is not resolved at that time and later it is discovered that the meter readings were inaccurate, the time period of adjustment can be extended up to 36 months or back to the time of the original inquiry at the general manager's discretion.
3. If the turtle or meter did not record or report use due to the consumer's and/or his electricians actions or electrical equipment or breakers, no billing adjustment will be made.

## 2. Location of Meters

Meters for all services shall be installed outdoors and readily accessible for reading. An authorized representative of the Cooperative will determine the acceptability of the meter location in all cases.

## 3. Meter Readings

The Cooperative will read all of its single phase meters with its automatic meter reading system near the last day of each month. Other types of meters will be read by an employee of the Cooperative near the last day of the month.

## E. Membership and Electric Service

All applicants for electric service shall sign the Cooperative's "Application for Membership", and service shall be granted in accordance with the Cooperative's Standard Rules and Regulations

and Rate Schedules.

#### **F. Billing**

1. The Cooperative will generate and mail a bill to its member/consumers near the last day of each month. The payment of the bill will be due fifteen days after the bill is printed and sent. All accounts not paid by the due date shall pay one and one half percent late charge on the unpaid balance of the account.
2. Any account that is not paid by the 20<sup>th</sup> of the month will be subject to disconnection, and further, that on reconnection, the consumer will pay to the current\_meter reading plus any additional charges for reconnection and collection.
3. Traverse Electric will refund any overage on an account when the customer terminates electric service. The refund will be made after all final charges are processed.
4. Special Charges - The Cooperative will make such charges for reasonable special services as necessary to discourage abuse, and to minimize subsidy of such services by other consumers. Consumers will be charged for any special services requests that involve labor and truck charges. A price list of labor, truck, and other service charges will be set by the board.

#### 5. Deposit - New Consumers

The Cooperative shall not require a cash deposit as a condition of service unless a consumer has unsatisfactory credit or service outstanding with the Cooperative due to the following:

- a. The Consumer has outstanding a prior account with the Cooperative and at the time of the request for service remains unpaid and not in dispute.
- b. The Consumer has in an unauthorized manner used the energy.
- c. Unless a new consumer provides a letter of good credit from their former power supplier, a credit deposit equal to two months average bill will be required. Interest at the rate of six percent per annum shall be payable on all deposits. The deposit will be held for six months or until credit is satisfactory. Upon termination of service, the deposit and interest shall be refunded or credited to the final bill. The Cooperative will not accept guarantee in lieu of deposit.

#### 6. Deposits - Existing Consumer

The Cooperative shall not require a cash deposit as a condition of continued service unless a consumer has an unsatisfactory credit or service standing with the Cooperative due to either of the following:

- a. The service of the consumer has been discontinued for non payment of a delinquent account not in dispute.
- b. In an unauthorized manner, the consumer interfered with or diverted the service of the utility.

#### 7. Other Standards Prohibited

The Cooperative shall not require a cash deposit as a condition of new or continued electric service upon commercial credit standards, income, home ownership, residential location, race, color, creed, sex, age, national origin, or any other criteria not authorized by these rules.

#### 8. Monthly Facilities Charge with New services

Upon placement of the transformer by the cooperative for any new service, the consumer has up to 60 days to energize the service with no charges accruing. After 60 days of not being energized, the consumer will be charged an amount equal to the monthly facility charge for the service size.

### G. Other Conditions of Service

1. Service Disconnect - Service to the consumer's premises may be disconnected by the Cooperative under the following conditions:

#### a. At Consumer's Request

1. Upon Termination - The Cooperative will disconnect service with no charge to the consumer upon due notice as provided elsewhere in these rules. However, if restoration of service at the same location is requested by the same consumer or property owner(s) within a twelve (12) month period, a reconnect charge plus the service availability charge for each month service was disconnected will be applied.

2. For Repairs - The Cooperative will temporarily disconnect service to facilitate repairs or other work on the consumer's equipment or premises, this may be subject to charges for Special Services.

#### b. At Cooperative's Option

1. With Due Notice - The Cooperative may disconnect service upon notice for any



of the following reasons.

- a. For violation of these rules and regulations.
  - b. For failure to fulfill contractual obligations.
  - c. For failure to provide reasonable access to the consumer's premises.
  - d. For failure to pay any bill within the established collection period.
  - e. For failure to provide deposits as provided elsewhere in these rules.
  - f. Upon written notice from governmental inspection authorities of condemnation of the consumer's facilities or premises.
  - g. For fraudulent representation as to the use of service.
2. Without Due Notice - The Cooperative reserves the right to disconnect service without notice for any of the following reasons:
- a. Where hazardous conditions exist.
  - b. Where the consumer's use of service adversely affects the Cooperative's facilities or service to others.
  - c. For unauthorized reconnection after disconnection with due notice.
  - d. For unauthorized use of or tampering with the Cooperative's service or facilities.
3. Reconnect - After service has been discontinued at the Cooperative's option for any of the above reasons, service will be reconnected only after the consumer has taken necessary corrective action and made satisfactory arrangements for payment of all fees and charges, including any applicable reconnect fees and deposits.
4. Reconnection Charge - Whenever service to an existing service is connected a reconnection charge shall apply. The reconnection charge will be set by the board in an approved price list.
2. Rate Application - The rates specified in this schedule are predicted upon the delivery of each class of service to a single metering point for the total requirements of each separate premises of the consumer, unless otherwise provided for in these rules and regulations. Service at different points and at different premises shall be separately metered and separately billed.
- a) Selection of Rates - In some cases the consumer is eligible to take service under any one or two or more rates. Upon request, the Cooperative will advise the consumer in the selection of the rate which will give him the lowest cost of service, based on the information provided to the Cooperative, but the responsibility for the selection of the rate lies with the consumer. After the consumer has selected the rate under which he elects to take service, the consumer will not be permitted to change from that rate to another rate until at least twelve (12) months have elapsed. The intent of this rule

is to prohibit frequent shifts from rate to rate. No refund will be made of the difference in charges under different rates applicable to the same class of service.

### SECTION III - CONSTRUCTION POLICY

This section of rules and regulations sets forth the terms and conditions under which the Cooperative will construct and extend its facilities to serve new loads or replace, relocate and otherwise modify its facilities. The Cooperative holds itself responsible to render service to all consumers within its service area who apply for membership in and service from the Cooperative; that service shall comply with those rules determined to apply based on the class of service required. The route and type of construction for line extensions will be selected by the Cooperative based on construction policy. Contributions in aid of construction or any other deposit required by the Cooperative under the provisions of this policy shall be non refundable unless specifically stated otherwise. No refund will be made in excess of the original amount deposited. Refunds, when applicable, will be governed by the terms stated hereinafter. Each line extension project, done by member request, will be assessed to that member as a separate, distinct project. If, at a later date, another connection is requested originating from a line extension project previously billed, the Board of Directors will determine an amount of construction costs to be paid by the later connecting party based on original costs. Any contribution collected will be refunded to the original payer. This cost sharing policy will be in effect for 20 years after the line is constructed.

#### A. Line Extension of Facilities

The Cooperative shall provide electric service to persons in its service area, consistent with the physical and economic capabilities of the Cooperative to establish and maintain such service. To assure that this objective is achieved, the Cooperative will extend service to any applicant for electric service within its service area at the rates and shared construction charges that are approved by the Board of Directors.

##### 1) Construction Charges

- A) Single phase overhead construction @ \$5.00 per foot
- B) Single phase underground construction @ \$5.00 per foot
- C) Two-phase overhead construction @ \$5.75 per foot
- D) Two-phase underground construction @ \$5.75 per foot
- E) Three-phase overhead construction @ \$6.75 per foot
- F) Three-phase underground construction @ \$6.75 per foot
- H) A Service Charge of \$300 shall be collected for each project.

For projects where bids are taken for construction materials and labor force, the consumer requesting the line extension will be billed either the Cooperatives rate per foot or the actual bid

costs for the project, whichever is less.

Where Traverse Electric has existing overhead line that the cooperative deems suitable to add phases to, the member will also have the option of paying the cooperative's current construction charges, per policy, or the actual cost to install any requested addition to said line, whichever is less.

## 2) Measurement

a) The length of distribution line extension will be measured along the route of the extension from the Cooperative's nearest facilities from which the extension can be made to the member/consumer's point of service. Should the Cooperative, for its own reasons, choose a longer route, the applicant will not be charged for the additional distance. However, if the consumer requests special routing of the line, the consumer will be required to pay the extra cost resulting from the special routing.

b) The billing footage for an account in a sub-division will be based on the width of the lot.

## 3) Idle Services

The cooperative may at its discretion retire any electrical distribution line or service that has been disconnected for two years or more, providing:

a) The last connected consumer or known owner has been notified by mail and a list to be published in the Cooperative Connections of the cooperative's intentions to retire the service.

## B. Relocation or Alteration of Facilities to Eliminate Hazardous Conditions.

1. The Cooperative reserves the right to disconnect service where a hazardous condition exists.
2. The Cooperative will explain the nature of the hazard to the consumer and present a plan for elimination of the hazard.
3. If the consumer created the hazard, the Cooperative will remove, replace or alter its facilities to eliminate the hazard. The consumer shall make a contribution in aid of construction based on the construction charges in Section A of this policy.

### C. Easements

1. A contract for electric service, or the receipt of service by a member-consumer, will be construed as an agreement granting to Traverse Electric without charge, an easement for electric lines, wires, conduits, and other equipment of Traverse Electric necessary to render service to the member-consumer. Traverse Electric employees may enter the premises to repair, maintain, and perform any other duties necessary to maintain continuity of service for the member-consumers of Traverse Electric.
  - a. If requested by Traverse Electric the member-consumer will execute Traverse Electric's standard Right-of-Way Easement granting to Traverse Electric, at no expense therefore, satisfactory easements for suitable location and other appurtenances on or across lands owned or controlled by the member-consumer, and will furnish space and shelter satisfactory to Traverse Electric for all necessary apparatus of Traverse Electric located on the member-consumer's premises.
2. Traverse Electric may assist the member-consumer in the procurement of other right-of-way easements necessary for the line extension and may assess the member-consumer for any costs incurred in the right-of-way acquisition. It may be the responsibility of the member-consumer desiring service to provide or pay for costs incurred for tree or brush clearing or crop damages.

### D. Standard Voltage, Frequency and Permissible Variations

1. Traverse Electric's standard nominal voltages for its secondary voltage distribution systems are 120 volts, single-phase, two-wire; 120/240 volt, single phase, three-wire; 240 volt or 480 volt, three phase, three-wire delta; 120/240 or 240/480 volt, three-phase, four-wire delta connected; and 120/208 or 277/480 volt; three phase, four-wire wye connected.

### E. Tree Trimming

1. The Cooperative and/or its contractors will cut and trim trees and shrubbery to the extent necessary to keep them clear of the Cooperative's electric line and to cut down from time to time all dead, weak, leaning or dangerous trees that are tall enough to strike the wires if they fall. This is being done to fulfill our responsibility of maintaining a safe operation and providing quality service to our member/owners.
2. The Cooperative and/or its contractors will chip all small branches and spread or pile the chips at the site. The crews will also cut the larger branches and stack them near the stump of the removed tree or trees. If the owner requests the removal of the chips and wood from the site, the owner will be billed the hourly rate as set by the board in an approved price list

for the labor and cost to dispose of the material. A signed agreement will be required from the owner of the property.

3. If the owner requests the Cooperative and/or its contractor to trim a tree or trees less than fifteen feet from the electric lines, the Cooperative will bill the owner the hourly labor rate as set by the board in an approved price list for the trimming. A signed agreement will be required from the owner of the property.

### III. RESPONSIBILITY

A. The General Manager is responsible for the execution of the policy and shall report to the Board any exception made due to any emergency or unusual condition.

B. The Board of Directors is responsible for any change in or revision of this policy.

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Mark Pearson, Secretary