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POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **M-34**

Subject: **Non-Metered (Idle) Services**

Objective: To allow property owners the opportunity to retain an idle service for future use and provide a method for Polk-Burnett to recover part of the continuing maintenance costs for this type of service.

Policy: *This policy will be guided by the principle of return on investment. If the cooperative is required to invest funds to bring a power line up to standards of safety and/or operation it will only do so if it can be reasonably assured of a return on that investment.*

An idle service is a service that has been at an inactive (disconnected) status for two years or more.

Idle services require continued maintenance such as inspections, right-of-way clearing, pole testing, etc., and must meet current electrical codes. They also tie up material and equipment that could otherwise be utilized elsewhere. Therefore, to offset costs associated with maintaining idle services, the following will apply:

1. At the discretion of the cooperative, notification by certified letter will be made to the property owner that an idle service(s) is located on property owned by them. The property owner may elect to keep the idle service. If no response is received, the idle service will be removed as time permits. No further notification will be sent.
2. If the election is made to retain the idle service, an annual fee is required and must be paid in advance for each year. The annual fee is subject to periodic review by the board of directors.
3. The billing statement will indicate that payment must be received within 30 days of the date of the statement. If the payment is not received, the service will be scheduled for removal as time permits. No other notification will be sent.
4. If an idle service is removed and service is requested in the future at that location, the request will be treated as a new service with all the costs associated therewith calculated in accordance with the line extension policy in effect at the time of the request.
5. A patron with an unmetered and unenergized account does not receive electric service on that account, and is therefore not a voting member of the cooperative as to that account. In addition, the idle service annual maintenance fee shall be treated as a payment by a patron not in excess of operating costs and expenses properly chargeable against the maintenance of the idle service. As such, the idle service annual maintenance fee shall not be treated as a payment creditable to a patron's capital credit account.
6. Reconnecting an idle service and later disconnecting the service to avoid the annual fee will subject the service to the same status as an idle service.

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7. New services shall be metered and energized within ninety (90) days of installation. A service that is not so metered and energized shall be treated as an idle service subject to the annual fee.
8. The general manager has the authority to modify all or part(s) of this policy if circumstances warrant additional protection of present or future assets of the cooperative.
9. Idle service annual fees are non-refundable. The idle service fee is intended to cover on-going operation and maintenance expenses and not capital costs to replace all or some of said line. Should the idle facilities fail; the property owner paying the idle service fee will have the option to pay the facility replacement costs to keep the line in place. If a property owner chooses not to pay the facility replacement costs, the line shall be retired. If the property owner chooses to pay the replacement cost of the idle facilities, the service may still be treated as an idle service subject to the annual service fee unless it is metered and energized.
10. If the electric facilities serving a disconnected service have not reached the time limit to be considered an idle service yet, and is part of a line rebuild project, the service shall be treated as an idle service.
11. Any underground lines with non-jacketed cable will be excluded from participating in the idle service program and retired as the cable has reached the end of its useful life.

Edward O. Gullickson, President
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