

CITY OF SOUTH HAVEN

ELECTRIC UTILITY RULES, REGULATIONS AND POLICIES

BPU DATE OF RECOMMENDATION
December 18, 2006

ADOPTED BY CITY COUNCIL
January 15, 2007

Updated: June 17, 2019

ARTICLE I. DEFINITIONS

Sec. 1.1. Definitions.

The following definitions, when used in this policy, shall have the following meanings, except where the context clearly indicates a different meaning.

- (a) *Agency of jurisdiction* shall mean the local government that has jurisdiction over the specific action being considered at the location under consideration.
- (b) *Authorized contractor* shall mean an individual or organization authorized to perform work on the city-owned system.
- (c) *Board of Public Utilities (BPU)* shall mean an advisory board to the city council of the City of South Haven.
- (d) *Building* shall mean any structure, either temporary or permanent, having a roof supported by columns, walls, or other supports, and used or intended for the shelter or enclosure of persons, animals, chattels, or property of any kind, or for the conduct of business. The definition includes but is not limited to mobile homes, tents, inflatable structures, sheds, garages, greenhouses, and other principal and accessory buildings.
- (e) *Building inspector* shall mean a person designated by the City of South Haven Building Inspector or the Code Enforcement Officer to conduct building inspection or code enforcement.
- (f) *Business Extension* shall mean an electric branch constructed from an existing node to a new physical location.
- (g) *Capacity charge* shall mean a charge that may be levied to new utility users. The charge is a purchase price for that portion of the existing infrastructure that is required to serve all customers (i.e., treatment plants, pumping stations, large capacity trunk lines, etc.).
- (h) *Commercial* shall mean uses primarily concerned with the sale of goods or services or other transactions in commerce.
- (i) *Customer* shall mean any person, company, or institution that is supplied with a service.
- (j) *Department of Public Works (DPW)* shall mean that department of the City which encompasses the Electric, Water & Sewer operations. Also encompasses the Street Dept. and City Engineering functions.
- (k) *Disconnection* shall mean to sever or interrupt a connection to a City utility.
- (l) *Industrial* shall mean uses primarily relating to the manufacture or production of products or otherwise primarily characterized by industry.
- (m) *Meter* shall mean a device for measuring and registering a quantity over a period of time.
- (n) *National Electric Safety Code* shall mean the appropriate code for electric distribution utilities as published by the Institute of Electrical & Electronic Engineers (IEEE).
- (o) *Property* shall mean a parcel of land and the buildings upon it, with its grounds or other appurtenances.
- (p) *Reconnection* shall mean to restore a connection to a City utility.
- (q) *Residential* shall mean a structure serving as a dwelling or home, used or designed for residence.
- (r) *Service Lead* shall mean a connection between the main and the customer's service.
- (s) *System Improvement* shall mean the act of improving a main, or appurtenance, of the City-owned system.
- (t) *Upgrade* shall mean replacement of existing components in an electric system due to not enough capacity.

(u) *Utility* shall mean an organization that furnishes electricity or another public service.

ARTICLE II. GENERAL PROVISIONS

Sec. 2.1. Interpretation and Enforcement.

The City Manager or representative shall be responsible for the interpretation and enforcement of this Policy.

Sec. 2.2. Application of Rates.

Copies of this Policy, including any rates herein, are open to public inspection and are available at the Customer Service office at City Hall, 539 Phoenix Street, South Haven, Michigan 49090.

In no case may service be shared with another customer or transmitted off the premises to which it is delivered. Service taken at different premises shall be separately measured and billed.

Sec. 2.3. Application for Service.

- (a) *Personal Information Form.* Before any service is connected, a customer must submit the Personal Information Form, which shall be available at City Hall. This information will be placed on the customer's file and will remain confidential to the extent permitted by law.
- (b) *Existing Service.* A new customer requesting service at a property previously served shall apply at least 2 days before the service is to be transferred to their name. This customer may be required to make a service deposit under the guidelines listed below under "Security Deposits." New customers will be billed a "transfer fee" for each new account, the amount of which will be as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time, for each new account.
- (c) *New Service.* The customer will be responsible for ensuring that an "Electric Permit," is obtained from the City's Building Department or appropriate authority in the respective agency of jurisdiction. Meter sockets are available at the Department of Public Works and can be obtained by presenting an authorized electrical permit. The service will be scheduled for installation after receipt of a notice of acceptance, in writing, from the responsible Electrical Inspector for the area of jurisdiction and all required fees are paid. The customer may be required to submit a service deposit, under the guidelines listed under "Security Deposits" before electric will be connected. The customer is responsible for complying with all State and local codes and regulations.

For rental properties, a copy of any shut-off notices will be sent to both the property owner and the tenant, upon request of the property owner.

Sec. 2.4. Security Deposits.

- (a) Metered rate services are established upon order of the customer, without prepayment thereof, except that the City may, at its option, require:
 - 1. A service deposit for new residential customers, regardless if the service already exists.
 - 2. A service deposit for any customer that has not had an active account with the City of South Haven utilities for at least two years. (Exception: see item 7 below.)
 - 3. A service deposit for current or previous customers that have been disconnected due to late or non-payment within previous 12 months, or if the customer has had two or more late penalties in the past year of service.
 - 4. A typical residential deposit will be: a) the amount equal to twice the amount of the highest bill for any and all services being requested over the last calendar year that the service was provided, or b) \$250.00 whichever is less.
 - 5. A typical commercial or industrial customer deposit will be: a) the amount equal to twice the amount of the highest bill for any and all services being requested over the last calendar year that the service was provided, or b) \$1000.00 whichever is less.

6. A customer may have the security deposit waived if they sign up for the automatic payment program. A customer may provide an acceptable credit reference from another utility, provided that the customer presents a utility service history as recent as within the past two years. If the customer is a bona fide business, an acceptable credit reference from another utility must be in the business' name. A cash deposit may be required until receipt of the credit reference. Upon receipt of a satisfactory credit reference, the deposit will be returned in accordance with the City's refund policy.
 7. If the service address is relocated, all past due amounts must be paid in full, plus an additional deposit, if required, before a new account at the new location will be placed in the customer's name.
 8. For customers that have their second returned payment, cash payments (cashier's check and/or money order) or credit card payments will be required for the following year.
- (b) Except as provided in this subsection, the customer's security deposit will be returned as a credit to the account upon disconnection or after 12 months of service, whichever comes first. Any excess amount will be refunded to the customer. However, if disconnection occurs for one of the following reasons, the security deposit shall be applied to:
1. Non-payment of a delinquent account;
 2. 2 returned checks given for payment on the account; or
 3. 2 or more penalties noted on the account.
- (c) In case of bankruptcies, deposits will be credited to any outstanding account balances as of the court file date. New deposits will be required for post-petition balances according to the above and in conformance with bankruptcy laws.
- (d) If at any time, the City deems any service deposit to be inadequate, given a customer's credit history, the customer may be required to make additional deposits. Upon failure to do so, the City shall have the right to terminate service to such customer.

Sec. 2.5. Resale of Service.

No customer shall resell the City utilities to others. Rental properties, with the cost of utility service included in the rental as an incident of tenancy, will not be considered a resale of such services as defined herein. If the improper resale of utilities is occurring, the Public Works Director may design a main extension to the affected services as a special assessment project.

Sec. 2.6. Liability.

The City makes no guarantee or promise of uninterrupted service. Electric services are subject to shutdowns, variations, and interruptions necessitated by improvements, repairs, or operation of the system, either planned or unplanned. Whenever possible, a notice of intent to temporarily interrupt service will be given to the customer.

Sec. 2.7. Disconnecting Service.

- (a) Property owners, residents, and authorized parties may request the City to temporarily shut off utility service for reasons of repair or maintenance. Temporary shut off will not terminate the charge for the monthly basic stand-by service fees.

Except as otherwise provided by state statute, the City is empowered, at its option, to remove all meters and to shut off all service to any customer at the expiration of its agreement with that customer, whenever any account of that customer is in arrears, upon violation of this Policy, or upon violation of building or other relevant codes. Disconnections will be made during normal business hours.

The customer is responsible for the payment of all bills rendered for their account until the customer has ordered disconnection and the City has had a reasonable time to effect such disconnection.

If a final bill is not paid in full within 30 days from the date of billing and a customer has another

account in the same name, all payments received will be credited to past due accounts.

Any service account with a delinquent balance equal to or exceeding \$75, shall receive a shut-off notice. Unless payment in full is issued or satisfactory arrangements have been reached, the account will be terminated.

Sec. 2.8. Reconnecting Service.

(b) A charge, as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time, will be assessed for utility reconnection when a disconnection has been made for the following reasons:

1. Non-payment of a delinquent account.
2. Failure to post a security deposit when required.
3. Failure to comply with this Policy.
4. Setting a meter and turn-on for existing service for a new customer.
5. Shut off for non-compliance as ordered by the City or state authority.

When restoration of such disconnected service, as outlined above, is requested after normal working hours an additional connection charge, as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time, will be assessed.

Sec. 2.9. Credits to Customer Accounts.

- (a) Whenever credit is applied to any account, it will be made on the basis of the net billing.
- (b) Credits will only be issued if all City requirements have been met and the propriety of a credit or refund is supported by a clear record.
- (c) The minimum refund amount is \$2.
- (d) No refund will be made to an account if more than 1 year has passed since the disconnection of service or since the date of discovery, whichever date comes first.

Sec. 2.10. Extra Expense Due to Overtime and Adverse Conditions.

A charge will be assessed when the City incurs extraordinary expense in performing customer services and when work is performed outside of regular working hours at premium rates, or on account of unfavorable weather conditions, snow or ice accumulations, inaccessible equipment, or other extenuating conditions not caused by the action of the City.

Sec. 2.11. Access to Property.

Customer will provide access to the City or its authorized agents at reasonable hours to install, read, repair, or remove any devices and other property, or to inspect wiring, fixtures, or any other devices that are in any way connected with the City's system. In cases of rental properties, it shall be the property owner's responsibility to gain proper entrance for City personnel. Failure to provide access, when needed, is grounds for disconnection of service.

Sec. 2.12. City Equipment Located on Customer's Property.

Where service requirements can best be met by the installation of City-owned equipment on the customer's property, such installation will be made in accordance with the best practice for such work. Equipment required to only serve the needs of the customer's property will not require an easement. Equipment necessary to serve more than the needs of the property will require an easement authorizing the installation of such equipment and shall define any special conditions for constructing, maintaining, and replacing such equipment.

The cost of revisions, removal, or replacement of utility facilities, requested by others, including the owner of the property, will be paid by the requesting party unless specifically provided by a separate agreement or the easement contract.

Sec. 2.13. Customer-Owned Equipment.

- (a) The customer shall be responsible for assuring that equipment used on any City service is compatible with the characteristics of the City system. The customer is responsible to secure from the City the characteristics of the service available (i.e. service voltage, pressure, etc.) for such use and should follow the rules, regulations, and codes governing the use and installation of such equipment.
- (b) The City reserves the right to disapprove the use of any customer-owned equipment in connection with the City system, any wiring, equipment, appliances, fixtures, motors, or any other devices that are presently in use or that are offered for use in connection therewith. Should any of the same be disapproved, their use shall be disconnected at once, either permanently, or until corrective measures have been taken. Failure to comply with orders to discontinue the use of or to apply corrective measures to disapproved equipment shall be deemed just cause for the disconnection of all service until compliance is completed.

Sec. 2.14. Meters and Metering.

- (a) The City will supply its customers with electric meters.
- (b) All meters and metering equipment used in regular service shall be owned and maintained by the City. The customer will be responsible to identify characteristics for each type of service requested. The City will select the proper meter required for the customer load requirements requested.
- (c) As directed by and at no expense to the City, the customer shall provide a suitable space for the installation of the City's metering equipment, close to the point of the service entrance. This space shall be kept free and clear to provide easy access to the equipment for authorized persons.
- (d) The customer shall protect the City's metering equipment from damage and shall permit no person, other than an agent of the City or a person authorized by the City, to remove, inspect, or tamper with the same. Should the metering equipment become damaged or destroyed through neglect of the customer, all costs of repair or replacement shall be charged to and payable by the customer. If meter tampering has occurred, the City may assess a fee, in accordance with the schedule. Any person who has damaged the City meter may be subject to penalties.
- (e) Meters will be read, and bills rendered monthly as nearly as possible. For the purpose of computing, all bills rendered for utility service, the period between regular meter readings shall be deemed a month. Below is the billing due date listing:

WEEK NUMBER	MAIL DATE	DUE DATE
1	8	29
2	16	7
3	24	16
4	30	21

- (f) Whenever a meter reading is unavailable, the customer shall pay an estimated amount for service furnished during the billing period. This estimated amount is to be based upon the results of a test, a comparison to use of service during a similar period, upon both these methods, or by other known factors, as determined by the City.
- (g) If a meter error is discovered, and the duration of the error is not known, it shall be assumed to have existed for a period of half the time between the discovery of the error and the latest preceding accurate read or meter test but not for a period of more than 12 months. If meter tampering has occurred, the City may assess a fee, as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time, for tampering. Please note; the City Code of Ordinances states that (Sec. 86-97. Protection from damage) no unauthorized person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance, or equipment which is a part of the municipal works. Any person violating this provision shall be subject to immediate arrest under charge of disorderly conduct (Code 1965, Sec. 6.15).

- (h) The City tests its meters at random intervals for the mutual protection of the customer and the City. Meter tests will also be made upon request of the customer, a meter service fee, as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time, may be charged for customer requested meter tests, if the meter error is less than 4%. Said fee will be applied to the customer's bill. If a customer requests a meter change without a meter test, the meter service fee will be added to the customer's bill.

Sec. 2.15. Charges for new business extensions or electrical upgrade.

There may be a requirement for a financial contribution on the part of the customer or developer for business extensions serving new areas or for electrical upgrades of existing locations. Electric distribution extensions may require a payment in aid of construction, regardless of the location of the project within the City electric service territory.

Sec. 2.16. Charges for system improvements or relocations.

- (a) The City shall maintain its utility systems located in street or road rights-of-way or on accepted easements.
- (b) The City shall also be responsible for the cost of any system-improvement work it initiates and performs.
- (c) The requesting party shall be responsible for any system-improvement work requested when it is performed for the benefit of the requesting party. If new revenues will result from the improvement, these revenues may be applied for construction cost credits in accordance with the appropriate new business extension/upgrade policy covered under that section for the appropriate policy.
- (d) Relocation of facilities in public streets and roads, which is required due to conflict with the construction of road improvements, will be performed at the City's expense. Relocation of utility facilities, either in the street or road right of way or on private property, which is performed at the request of a party other than the street or road agency, will be performed at the expense of the requesting party.

Sec. 2.17. Billing of New Customers.

All customers will be billed from the date of service, and monthly fixed fees will be prorated from the date service is established.

Sec. 2.18. Cumulative Billing.

The City will not allow cumulative billing.

Sec. 2.19. Due Dates for Payment.

The due date for utilities, to avoid delay payment charges, shall be 14 calendar days from the monthly billing date. If said due date falls on a weekend or holiday, the due date shall be extended to the next business day.

Customers will be allowed a 5 business day grace period from any due date before the bill is considered delinquent and delay payment charges are added to the account.

Sec. 2.20. Budget Plan.

The City shall maintain a budget program for qualified customers to assist in the payment of utilities. The budget program shall only be available after 6 months of service, and proper payments have been established for the property. The customer's account must be current and in good standing. To request assistance from the program, a customer must enter into a written agreement, provided by the City, regarding the terms of the program. The City reserves the right to terminate its agreement for the program with any customer who does not comply with the terms therein.

ARTICLE III. ELECTRIC UTILITY

Sec 3.1. Use of Service.

- (a) Service may be taken from the municipal electric utility system only if all applicable regulations of the respective agency of jurisdiction have been met and permitted by the Electrical Inspector of authority. In addition, all Rules and Regulations of the City's Board of Public Utilities and the National Electric Safety Code must be met.
- (b) All appropriate regulations of State and Municipal authority will prevail as they apply to governing metering, meter location, meter protection, access to customer's premises, approval of customer use equipment, rules prohibiting the resale of electric service, rules governing service to mixed loads and service to properties of mixed occupancy.
- (c) There will also be rules to cover service connections, service extension policies, the prohibition of the use of low power factor devices and equipment which may cause disturbance of service to others, limitations of the use of electric welders and water heaters, and rules governing the size, type, voltage and connection of electric motors.

Sec. 3.2. Limitation of Service.

The City reserves the right to determine its ability to serve any loads that may be offered for connection to the system. Each application which may require the installation of additional lines and transformers or the enlargement of existing lines and transformers, or which involves the connection of out-of-the-ordinary use devices, will be a matter for special consideration.

Sec. 3.3 Apartment Buildings and Multiple Dwellings.

When service is supplied through a single meter to a residential building containing more than one living unit, it will be billed at the Commercial Service Rate. Only one choice in rate will be permitted, within any 12-month period.

Sec. 3.4 Combined Residential and Commercial Service.

- (a) When energy is supplied to a combined residential and non-residential customer, the wiring may be so arranged that the residential usage can be metered separately from the non-residential use.
- (b) If the customer cannot be metered separately, service supplied through a single meter will be billed at the Commercial Service Rate.

ARTICLE IV. NEW BUSINESS EXTENSION/UPGRADE POLICY

Sec. 4.1. General.

When the application is made for electric service that requires the extension/upgrade of the City's existing distribution lines, the City will make such extensions/upgrades when the estimated annual revenue, probable stability of the business, prospective load growth and financial contribution in aid of construction will reasonably warrant the capital expenditure required. All new business extensions /upgrades must meet the policies of the Board of Public Utilities as prescribed in the following policy statements.

Sec. 4.2. Overhead Extensions/Upgrades.

(a) Single Customer.

The City will extend secondary voltage lines two spans (one new pole), including the service line to the house, free of charge. Secondary extensions of greater than two spans and primary voltage overhead line extensions and/or transformer upgrades to serve a single customer shall require a contribution-in-aid of construction equal to 100% of the estimated cost of the line extension excluding the cost of the service connection. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month periods of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension/upgrade. The first 12-month period will commence upon establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

The total estimated job cost will include labor, equipment, material, and overhead's as determined by the City and will include the cost of transformers and tree work if required.

(b) Multiple Customers.

The City will construct an overhead line extension/upgrade to serve more than one customer providing the applicant shall make a contribution equal to 100% of the estimated cost of the line extension/upgrade excluding the cost of the service connections. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month period of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension. The first 12-month period will commence upon the establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction. The first customer who exceeds shared capacity is responsible for the cost of an upgrade.

The total estimated job cost will include labor, equipment, materials, and overhead as determined by the City and will include the cost of transformers and tree trimming if required.

Sec. 4.3. Farm Service.

Service shall be available to farms for residential use under Residential Service Rate, and in addition, service may be used through the same meter for any purpose so long as such use is confined to single phase service for the culture, processing, and handling of products grown or used on the customer's farm. Use of service for purposes other than set forth above shall be serviced and billed on the appropriate Commercial Service Rate.

Sec. 4.4. Overhead Service Connections.

(a) Secondary Voltage.

Where suitable supply is available, the City will install overhead service wires from its distribution lines to a selected point of attachment on the customer's premises in accordance with the existing extension policy. The City shall select the location of this point of attachment. Should it become necessary for any cause beyond the City's control, to change the location of this point of attachment all costs of any changes required in the customer's service entrance wiring made necessary thereby shall be borne by the customer.

The selected point of attachment, for the service wires to the customer's premises, shall be such that adequate ground clearances, suitable to the use and need of the area crossed over, may be

maintained to meet all applicable code requirements. Where the height and design of the building or facility to be served is such that the above-stated condition cannot be met, or in the event, there is no permanent building, the customer shall provide and continuously maintain, at their expense, a suitable attachment structure. If necessary, the City will provide one (1) pole, in accordance with the City extension policy, on the customer's property to reach the point of attachment or to hold the meter socket.

Service runs shall be as short as practicable. The customer will be responsible for providing a connection attachment on the building capable of one span of the applicable service conductor. The customer will provide a minimum of thirty-six (36) inches of service wire extended, beyond the point of entry to the building, for attachment to the service conductor. The point of attachment, on a building, shall be located so as to provide adequate clearance of the service lines and connections from windows, shutters, awnings, eaves troughs, downspouts, vent pipes, radio antenna, lightning rods, chimneys and similar appurtenances of the structure, in accordance with all applicable building and electrical codes.

(b) Primary Voltage

When required, the City will provide connections for overhead primary service connections, either to serve customer-owned transformers located on their premises or to serve transformers owned by the City and located on the customers' premises. The City will determine the method for metering primary voltage service customers.

1. Customer Owned Transformers - The costs of purchasing, installing, and maintaining the transformer is the responsibility of the customer. The customer will pay 100% of the total estimated cost of installing the overhead primary lines serving the transformer, including the cost of the meter installation. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month periods of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension. The first 12-month period will commence upon establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.
2. City-Owned Transformers- The costs of purchasing and installing the transformer will be included in the cost of providing the overhead extension/upgrade to serve the customer. The customer will pay 100% of the total estimated cost of installing the overhead primary lines, including the cost of the transformer and the cost of the meter installation. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month periods of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension. The first 12-month period will commence upon establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

Sec 4.5. Underground Extensions/Upgrades.

(a) Single Customer.

For a single residential customer, the City will install up to 300 feet of underground single phase, secondary voltage cable at a cost to the customer of the established rate, for single phase, secondary voltage service, as recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time. Extenuating circumstances such as road crossings, stream crossings, etc. may be cause for additional charges.

Extensions/upgrades on those jobs not covered by a trench foot charge rate for residential, commercial or industrial, which require primary voltage extensions/upgrade, shall require a contribution-in-aid of construction equal to 100% of the estimated cost of the line extension/upgrade excluding the cost of the service connections. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month period of service with the total

amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension/upgrade. The first 12-month period will commence upon the establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

(b) Multiple Customers.

The City will construct an underground distribution extension/upgrade to serve more than one customer providing the applicant shall make a contribution equal to 100% of the estimated total cost of the line extension, including transformers but excluding the cost of the service connections. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month period of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension/upgrade. The first 12-month period will commence upon the establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

The total estimated job cost will include labor, equipment, materials, and overhead as determined by the City and will include the cost of transformers and tree trimming if required.

Sec. 4.6. Underground Facilities on Customer's Property.

The owner, developer or customer requesting underground utility service shall provide adequate sub-grade (within 6" of final grade) prior to the installation of all underground utilities. Permanent survey markers indicating property lines must be installed and maintained by the customer. Any subsequent rebuilding or relocation required due to change in grade or other alterations shall be done at the customer's expense.

Sec. 4.7 Underground Service Connections/Upgrades.

(a) At Secondary Voltages:

The City, at its option, may require the installation of underground service wire from the customer's meter connection to the most available point of attachment to the City's secondary voltage system. The customer will be required to pay the difference in cost between the cost of underground construction and the equivalent overhead cost, in accordance to the rate established by the City Council which may be changed from time to time.

Meter locations shall be provided on the customer's premises as required by local codes. Customer's meters are not allowed to be located on City poles unless by special permission of the Department of Public Works.

Customers may elect underground service in overhead service where available. The customer will be responsible for the difference in cost between the underground construction costs and the equivalent overhead costs at the rate recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time.

(b) At Primary Voltages:

When required, the City will provide connections for underground primary service connections, either to serve customer-owned transformers located on their premises or to serve transformers owned by the City and located on the customers' premises.

1. Customer Owned Transformers -The costs of purchasing, installing, and maintaining the transformer is the responsibility of the customer. The customer will pay 100% of the total estimated cost of installing the underground primary lines serving the transformer, including the cost of the meter installation. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month periods of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension. The first 12-month period will commence upon establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

2. City-Owned Transformers - The costs of purchasing and installing the transformer will be included in the cost of providing the underground extension/upgrade to serve the customer. The customer will pay 100% of the total estimated cost of installing the underground primary lines, including the cost of the transformer and the cost of the meter installation. The City will rebate an amount equal to 50% of the revenues received, at the end of the first, second and third 12-month periods of service with the total amount of rebate to not exceed an amount equal to 2/3 of the actual cost of the line extension/upgrade. The first 12-month period will commence upon establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

The first 12-month period will commence upon the establishing of the service to the first permanent account. The contribution-in-aid of construction must be paid in advance of construction.

Article V. Details of Service

Sec. 5.1. Temporary Residential Services.

- (a) The customer shall pay a fee for temporary service at the rate recommended by the Board of Public Utilities and approved by the City Council, which may be changed from time to time.
- (b) If temporary service requires additional poles or transformers, the customer shall pay a fee of 100% of the cost to install and remove each service. The cost shall include labor, equipment, materials, and appropriate overheads, less salvage.
- (c) Customers requesting temporary service, less than three years in duration, shall be required to pay a non-refundable deposit equal to 100% of the cost of installing and removing the line extension. Costs shall include transformers, meters and other equipment plus appropriate overheads, less salvage. The location of the temporary service will be at a location mutually acceptable to the requesting party and the City. The customer will be invoiced for the amount of power used at the appropriated current rate at intervals, not to exceed once each month.

Sec. 5.2. Meter Installation - Meter Wiring.

- (a) Meters and associated equipment will be provided, owned, and maintained by the City. Wiring and associated equipment, from the meter installation to the customer, is the responsibility of the customer and must meet all applicable electrical codes.
- (b) Electric service meter sockets, installed by the customer, shall be so located that their registers will not be less than 4-1/2 feet or more than 6 feet from the floor or grade.
- (c) Multiple meter installations, serving more than one premise, shall be marked to show the type of service that it supplies and the apartment or other portion of the customer service that it controls. Electric service entrance wiring shall be installed in accord with the latest revision of the National Electrical Code and the prevailing electrical code for the respective agency of jurisdiction.

Sec. 5.3. Grounding of Services.

All electrical wiring circuits shall be properly grounded. Such connections shall meet all of the requirements of the National Electrical Code and the prevailing code for the agency of jurisdiction. Any person who removes any such ground connection shall do so only after taking proper safety precautions against the hazards involved in so doing and shall, upon completion of his work, re-establish such connection in accordance with the provisions all prevailing codes.

Sec. 5.4. Load Balance and Use of Service.

All wiring shall be so installed that adequate balance may be had on all phases of the customer's multi-phase circuits. The customer shall arrange its circuits and operations so as to provide not more than 15% current variation between the high and low phases on any one circuit.

The customer shall use the service so as not to disturb or to interfere with the City's service to its other customers. Electrically operated devices which could cause objectionable operating conditions on the City's system, as determined by the City, shall not be attached without consent of the City. The cost of adjustments that may be required to the City electric distribution system to eliminate the effect of customer-caused disturbance may be the responsibility of the customer.

Sec. 5.5. Inspection of Electric Wiring.

Before any electric service entrance is installed or remodeled, a permit must be obtained from the City or appropriate Township Electrical Inspector. Application for such permission shall include full and complete information as required by the City or Township. A copy of the electrical permit shall be presented prior to the City issuing a meter socket.

The customer is responsible for complying with all applicable electrical codes required by the community of jurisdiction (City or Township), and the State of Michigan. The City will not establish service to any prospective customer until the Electrical Inspector, of the community of jurisdiction, has given notice, in writing, of approval of the premise to be served. In addition, the City will not establish service to any

facility which does not comply with the conditions of the current edition of the National Electric Safety Code.

Anything contained in these Rules, Regulations, and Rates in regard to electric wiring is deemed to be cooperative with an accessory to, any Ordinance or Code affecting that area involved.

Sec. 5.6. Street Lighting.

(A) Within the City of South Haven.

The City of South Haven, Board of Public Utilities, will provide street lighting on all major and local streets within the City of South Haven. The City will review all street light requests. Street lights will be located in accordance with industry standard specifications as determined by the City.

The City will provide, standard, street lights upon special request. Street light energy use may be metered or may be charged on a flat rate basis based on the kilowatt rating of the light at the standard lighting hours for the southern Michigan area as established by the National Weather Bureau. The energy use for street lights located on city streets shall be a charge to the City General Fund.

(b) Outside the City of South Haven.

(c) The City will install street lights in streets and roads outside the City of South Haven upon request of the agency of jurisdiction. The City will provide the same choice of street light options as are provided within the City of South Haven. Street lights will be installed in accordance with industry standards unless requested, in writing, to be installed to meet special conditions. Street light use may be metered or may be charged on a flat rate basis. The cost of installing street lights, outside of the City, is the responsibility of the requesting agency. The cost of installing street lights, including the cost of the light and the energy cost, may be billed in a monthly flat rate charge to the agency of jurisdiction.

Sec. 5.7. Private lights.

The City will install street lights for use on private property upon request of the property owner. The City will offer the same selections of lights as are approved for use on City streets. The customer will be responsible for the cost of purchasing, installing, and the energy for all lights installed on private property.

The cost of installing lights shall be paid prior to the installation of the lights. Energy use may be metered or can be billed on a monthly flat rate based on the kilowatt rating of the light at the standard lighting hours for the southern Michigan area as established by the National Weather Bureau.

Sec. 5.8. Tree Trimming.

The City shall trim any tree that interferes with or is potentially hazardous to the surrounding electric lines, to include primary, secondary, and services. The City will endeavor to trim all trees to maximize the health and appearance of the tree while maintaining maximum reliability to the electric distribution system.

Sec. 5.9. Tree Removal by City.

Any tree directly interfering with the electric lines and is located in the right-of-way may be removed by the City. Except in an emergency, trees located on private property, which interfere with the electric lines, will require the permission of the property owner before it is removed. In emergencies, where electric service to an area is interrupted or in imminent danger of being interrupted, the tree may be removed. Only the City or its authorized contractors should remove any tree or tree branches which may interfere with overhead electric lines.

Sec. 5.10. Customer Request.

The City will not remove or trim any tree on private property which does not conflict with the City electric distribution lines.

Sec. 5.11. Street Banner Policy.

Street banners will be hung between the dates of May 15 to October 15, at locations approved by the City Electric Distribution Department, with overriding authority reserved by the City Council. All banners must

be printed on perforated material or on an open mesh fabric as approved by the City. Each banner must not be greater than 30 feet in length and have at least 200 feet of rope on the top and bottom. Banners will be hung two weeks prior to the event and returned within one week after the event. The City of South Haven will not be responsible for any damage that occurs to the banner while it is hung. The City will not store any banners.

ARTICLE VI. APPLICATION OF RATES

Sec. 6.1 Residential Service.

(a) Availability:

Open to any customer desiring service for domestic and farm uses, which include only those purposes which are usual in individual private family dwellings, and such appurtenant buildings as garages, barns, chicken houses, and similar buildings.

This rate is not available for commercial, institutional, or industrial uses. Specifically, it is not applicable to group homes or dormitories for other than private family units, apartment buildings, or to other multiple dwellings. It is not open to commercial or industrial enterprises conducted in conjunction with private dwelling, such as beauty shops, filling stations, laundries, retail stores, dairies, hatcheries, greenhouses, welding shops, frozen storage plants, etc. except under the terms and conditions contained in the City's Rules and Regulations and the exception noted herein.

(b) Nature of Service:

Alternating current, 60 hertz, single phase, 120/240 nominal volts.

(c) Rate:

CUSTOMER CHARGE	AS ESTABLISHED BY RESOLUTION
PLUS	
ENERGY CHARGE	AS ESTABLISHED BY RESOLUTION

(d) Minimum Charge As established by Resolution

(e) Penalty Charge for Late Payment:

The penalty charge for late payments is 2% compounded monthly. The penalty charge will be applied to the account balance, less sales tax if it is not paid on or before the due date shown on the monthly billing.

(f) Fuel Cost Adjustment:

Bills will be increased (or decreased) to offset fuel charge adjustments billed to the City by the supplier. Fuel cost adjustments will be made each month based on fuel charges of the previous month.

(g) Special Taxes:

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the City's generation or sale of electric energy.

(h) Term and Form of Contract:

Signed order required.

(i) Rules and Regulations:

Service governed by the City's Standard Rules and Regulations. Service shall be limited to single phase, 400 amp, 120/240 volts only.

Sec. 6.2. Commercial Service.

(a) Availability:

Open to any customer desiring lighting and/or secondary power service for any usual commercial, institutional or industrial use. It is also available for temporary use and seasonal use in resort areas under the special terms and conditions contained elsewhere in these Rules and Regulations.

(b) Nature of Service:

Alternating current, 60 hertz, single phase or three phase. The particular nature of the voltage in each

case to be determined by the City.

(c) Rate:

CUSTOMER CHARGE	AS ESTABLISHED BY RESOLUTION
PLUS	
ENERGY CHARGE	AS ESTABLISHED BY RESOLUTION

(d) **Minimum Charge:** As established by Resolution

(e) Penalty Charge for Late Payment:

The penalty charge for late payments is 2% compounded monthly. The penalty charge will be applied to the account balance, less sales tax if it is not paid on or before the due date shown on the monthly billing.

(f) Fuel Cost Adjustment:

Bills will be increased (or decreased) to offset fuel charge adjustments billed to the City by the supplier. Fuel cost adjustments will be made each month based on fuel charges of the previous month.

(g) Special Taxes:

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the City's generation or sale of electrical energy.

(h) Term and Form of Contract:

Signed order required.

(i) Rules and Regulations:

1. Service by the City's Rules and Regulations.
2. The customer will be responsible for providing voltage transformation for uses at voltages less than the service delivery voltage. On three phase service, current balance between phases shall be limited to plus (+) or minus (-) fifteen percent (15%).
3. The City may elect to measure the energy supplied on the primary side of the transformers, in which case 2% shall be deducted from the energy measurements for the purpose of billing.
4. The City may, at its option, require the customer to provide space, suitable to the City, for the installation and operation of transformers.

Sec. 6.3. Commercial/Industrial Power Service.

(a) Availability:

Open to any customer desiring secondary voltage service where the billing demand is in excess of 15 KW.

(b) Nature of Service:

Alternating current, 60 hertz, single phase or three phase, the particular nature of the voltage in each case to be determined by the City.

(c) Rate:

CUSTOMER CHARGE	AS ESTABLISHED BY RESOLUTION
DEMAND CHARGE (PER KW OF BILLING DEMAND)	AS ESTABLISHED BY RESOLUTION
ENERGY CHARGE	AS ESTABLISHED BY RESOLUTION

(d) Minimum Charge:

Minimum demand 15 KW at the prevailing rate as established by resolution

(e) Penalty Charge for Late Payment:

The penalty charge for late payments is 2% compounded monthly. The penalty charge will be applied to the account balance, less sales tax if it is not paid on or before the due date shown on the monthly billing.

(f) Fuel Cost Adjustment:

Bills will be increase (or decreased) to offset fuel charge adjustments billed to the City by the supplier. Fuel cost adjustments will be made each month based on fuel charges of the previous month.

(g) Special Taxes:

Bills shall be increased to offset any specific tax or excise imposed by any governmental authority upon the City's generation or sale of electrical energy.

(h) Determination of Maximum Demand:

The maximum demand or rate of use of electrical energy, for each month, shall be the greatest average load in kilowatts during any 15-minute period of such month, as registered on suitable instruments installed by the City to make such determination.

The City reserves the right to make special determination of the billing demand and/or minimum charge should equipment which creates high demands of momentary duration be included in the customer's installation.

(i) Billing Demand:

The billing demand shall be kilowatts (KW) supplied during the 15 minute period of maximum use in the billing month, but not less than 60% of the highest billing demand of the preceding 12 months or 15 KW, whichever is greater.

(j) Term and Form of Contract:

Signed order required. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least 12 months.

(k) Rules and Regulations:

Service governed by the City's Rules and Regulations. The customer will be responsible for providing voltage transformation for use at voltages less than the service delivery voltage. On three phase service, current balance between phases shall be limited to plus (+) or minus (-) 15%.

The City may elect to measure the energy supplied on the primary side of the transformers, in which case 2% shall be deducted from the demand and energy measurements for the purpose of billing.

The City may, at its option, require the customer to provide space, suitable to the City for the installation and operation of transformers.

(l) Final billing on this rate:

When a final reading runs over into the next month with a separate demand charge, the final demand charge shall be waived when less than 10 days have elapsed since the last regular reading date, and the final billing shall be figured as if the final reading was in the same month as the last regular reading. If more than 10 days have elapsed since the last regular reading date, then the final bill shall be figured on a regular one month basis using the final demand charge.

Sec. 6.4. Municipal and Industrial Primary Service

(a) Availability:

Open to any customer desiring primary voltage service for municipal or industrial use where the billing demand is 15 KW or more.

(b) Nature of Service:

Alternating current, 60 hertz, single phase or three phase, the particular nature of the voltage in each case to be determined by the City.

(c) Rate:

CUSTOMER CHARGE	AS ESTABLISHED BY RESOLUTION
PLUS	
DEMAND CHARGE	AS ESTABLISHED BY RESOLUTION
PLUS	
ENERGY CHARGE	AS ESTABLISHED BY RESOLUTION

(d) Tax Adjustment:

Bills shall be increased to offset any new or increased specific tax or excise imposed by any governmental authority upon the City's generation or sale of electrical energy.

(e) Minimum Charge:

The capacity charge included in the rate, plus the customer charge.

(f) Penalty Charge for Late Payment:

The penalty charge for late payments is 2% compounded monthly. The penalty charge will be applied to the account balance, less sales tax if it is not paid on or before the due date shown on the monthly billing.

(g) Fuel Cost Adjustment:

Bills will be an increase (or decreased) to offset fuel charge adjustments billed to the City by the supplier. Fuel cost adjustments will be made each month based on fuel charges of the previous month.

(h) Billing Demand:

The billing demand shall be kilowatts (KW) supplied during the 15 minute period of maximum use in the billing month, but not less than 60% of the highest billing demand of the preceding 12 months or 15 KW, whichever is greater.

(i) Term and Form of Contract:

Signed order required. Customers electing this option rate shall, in the absence of bona fide discontinuance of service, remain thereon for at least twelve (12) months.

Appendix #1

UTILITY RATES

July, 2006
RATES

(Copy of Resolution 944)

DELAYED PAYMENT CHARGE

The above rates are NET if paid on or before the date appearing on the customer's bill.

The GROSS rate is obtained by adding 10% to the NET rate. This amount applies to all payments made after the date appearing on the customer's bill

Appendix 2

1. CONTRIBUTIONS IN AID OF CONSTRUCTION

Underground Electric

- | | |
|-------------------------------|---|
| a. Residential Service: | \$8.00/ trench foot |
| b. Commercial - Single Phase: | \$9.00/ trench foot |
| c. Commercial - Three Phase: | Time, material plus overheads @ 20% |
| d. Underground winter charge: | \$3.50 / trench foot (added to the regular rates during the months of January, February and March.) |

(Amended by Res. 2010-28, 06-21-2010)

Temporary Electric

Residential

- | | |
|----------------|----------|
| 1) Overhead: | \$175.00 |
| 2) Underground | \$230.00 |

Commercial & Industrial

Overhead & underground	Time, material plus overheads @ 20% less salvage
------------------------	--

Inspection Fees

In addition to all regular and special assessments levied the City system, an inspection fee of \$15.00 will be assessed and paid in advance. The City may assess an additional \$15.00 for each inspection required due to the need for repeat trips caused by the customer.

Appendix #3

SERVICE FEES

Read & Change Electric:

Normal working hours: \$25.00 a), b), c).

Turn On Electric:

Normal working hours: \$25.00 a), b), d).

Turn On Winter Return Electric:

Normal working hours: \$50.00 a), b), e).

Turn On Non Pay:

Normal working hours: \$50.00 a), b) f).
After hours: \$100.00 b) g) h).

Tamper fee: \$250.00 b), i).

- a) *Normal hours are 8 am to 2 pm except for holidays.*
- b) *Fees will be assessed per meter.*
- c) *Utilities are switched to a new name without interruption in service - a new person is charged*
- d) *Utilities are off for a period of time, and a new person is taking over and wants turned on - a new person is charged*
- e) *Utilities were shut off in fall for winter and customer is asking for them to be turned back on - the customer is charged*
- f) *Utilities were shut off for none-payment, the customer pays by 2 p.m., and we turn them back on during regular hours*
- g) *Utilities were shut off for non-payment, the customer pays after 2 p.m. where we have to call the crew out after hours to turn them back on*
- h) *In the case of a delinquent turn off the fee will be accessed once the work order is issued.*
- i) *Utilities were shut off for any reason and were found that customer tampered with service to turn themselves back on.*

CITY OF SOUTH HAVEN
VAN BUREN AND ALLEGAN COUNTIES, MICHIGAN

RESOLUTION NO. 2010-19

A RESOLUTION TO INCLUDE AN ADDENDUM TO THE
UTILITY POLICY ESTABLISHING A NET METERING POLICY

Minutes of a regular meeting of the City Council of the City of South Haven, Van Buren and Allegan Counties, Michigan, held in the City Hall, 539 Phoenix Street, South Haven, Michigan 49090 on April 19, 2010 at 7:30 p.m. local time.

PRESENT: Fitzgibbon, Klavins, Kozlik Wall, Newton, Patterson, Burr

ABSENT: Bemis

The following preamble and resolution was offered by Member Fitzgibbon and supported by Member Newton.

WHEREAS, City Council adopted the Public Utilities Rules, Regulations and Policies by Resolution 07-04 on January 15, 2007; and

WHEREAS, during their meeting on March 29, 2010, the Board of Public Utilities reviewed a policy for Electric Interconnection and Net Metering Standards and recommended its approval.

NOW, THEREFORE BE IT RESOLVED, that City Council establishes a net metering policy as the net metering policy to be based on the language in Exhibit A.

BE IT FURTHER RESOLVED, that this resolution shall be included as an addendum to the Public Utilities Rules, Regulations and Policies.

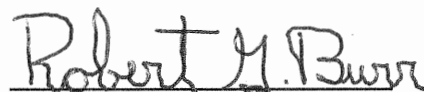
BE IT FURTHER RESOLVED, that this resolution shall take effect upon passage by the City Council.

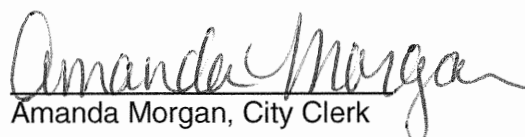
RECORD OF VOTE:

Yeas: Fitzgibbon, Klavins, Kozlik Wall, Newton, Patterson, Burr

Nays: None

RESOLUTION DECLARED ADOPTED.

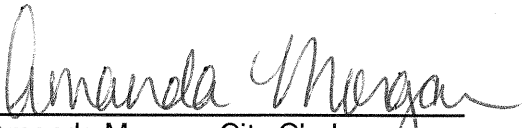

Robert G. Burr, Mayor


Amanda Morgan, City Clerk

Appendix #4

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at a meeting held on the 19th day of April, 2010, at which meeting a quorum was present, and that this resolution was ordered to take immediate effect. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 167 of the Public Acts of Michigan 1976 (MCL 15.261 *et seq*).


Amanda Morgan, City Clerk

**CITY OF SOUTH HAVEN
ELECTRIC INTERCONNECTION AND
NET METERING STANDARDS**

1. **Purpose.** This policy is intended to provide a program of net metering for electric utility customers with small-scale, electric generating facilities utilizing approved renewable energy resources. It is to encourage private investment in renewable energy resources, provide customers with options to reduce demand for utility provided power, increase energy independence and security, and enhance the continued diversification of energy resources. This policy addresses basic electric interconnection standards and net metering methodology.

2. **Definitions.** As used in these standards and the Generator Interconnection Requirements:

- (A) "Applicant" means the legally responsible person applying to an electric utility to interconnect a project with the Utility's distribution system or a person applying for a net metering program. An applicant must be a Customer of the electric utility.
- (B) "Application review" means a review by the Utility of the completed application for interconnection to determine if an engineering review is required.
- (C) "Avoided cost of wholesale power" means the marginal cost of wholesale power paid by the City of South Haven in the fiscal year prior to the current fiscal year. The avoided cost of wholesale power will include the energy charge, fuel charge and fuel adjustment charge from the most recent annual rates set by the City's wholesale power provider.
- (D) "Basic electric charge" means a fixed monthly rate charged for electric service as established in the City's Code of Ordinances.
- (E) "Category 1" means an inverter based project of 20 kW or less that uses equipment certified by a nationally recognized testing laboratory to IEEE 1547.1 testing standards and in compliance with UL 1741 scope 1.1A.
- (F) "Category 2" means a project of greater than 20 kW and not more than 150 kW.
- (G) "Category 3" means a project of greater than 150 kW.
- (H) "Certified equipment" means a generating, control, or protective system that has been certified as meeting acceptable safety and reliability standards by a nationally recognized testing laboratory in conformance with UL 1741.
- (I) "City" means the City of South Haven.
- (J) "City council" means the elected governing body of the City of South Haven.
- (K) "Commissioning test" means the procedure, performed in compliance with IEEE 1547.1, for documenting and verifying the performance of a project to confirm that the project operates in conformity with its design specifications.
- (L) "Customer" means a person who receives metered electric service from the City's electric distribution system.
- (M) "Customer-generator" means a person that uses a project on-site that is interconnected to the City's electric distribution system.
- (N) "Demand charge" means a monthly rate charged for peak demand measured in kW as established in the City's Code of Ordinances.
- (O) "Distribution system" means the structures, equipment, and facilities operated by an electric utility to deliver electricity to end users, not including transmission facilities that are subject to the jurisdiction of the federal energy regulatory commission.
- (P) "Distribution system study" means a study to determine if a distribution system upgrade is needed to accommodate the proposed project and to determine the cost of an upgrade if required.

Appendix #4

- (Q) "Engineering review" means a study to determine the suitability of the interconnection equipment including any safety and reliability complications arising from equipment saturation, multiple technologies, and proximity to synchronous motor loads.
- (R) "IEEE" means institute of electrical and electronics engineers.
- (S) "IEEE 1547" means IEEE "Standard for Interconnecting Distributed Resources with Electric Power Systems."
- (T) "IEEE 1547.1" means IEEE "Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems."
- (U) "Interconnection" means the process undertaken by the Utility to construct the electrical facilities necessary to connect a project with a distribution system so that parallel operation can occur.
- (V) "Interconnection procedures" mean the requirements that govern project interconnection.
- (W) "kW" means kilowatt.
- (X) "kWh" means kilowatt-hours.
- (Y) "Material modification" means a modification that changes the maximum electrical output of a project or changes the interconnection equipment, including either of the following:
 - (1) Changing from certified to noncertified equipment.
 - (2) Replacing a component with a component of different functionality or UL listing.
- (Z) "MW" means megawatt.
- (AA) "Nationally recognized testing laboratory" means any testing laboratory recognized by the accreditation program of the U.S. department of labor occupational safety and health administration.
- (BB) "Parallel operation" means the operation, for longer than 100 milliseconds, of a project while connected to the energized distribution system.
- (CC) "Power usage rate" means a charge based on metered consumption measured in kWh as established in the City's Code of Ordinances.
- (DD) "Project" means electric generating equipment and associated facilities that are not owned or operated by the Utility.
- (EE) "Renewable energy credit" means a credit granted pursuant to the Michigan Public Service Commission's renewable energy credit certification and tracking program established in accordance with section 41 of 2008 PA 295, MCL 460.1041.
- (FF) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:
 - (1) Biomass.
 - (2) Solar and solar thermal energy.
 - (3) Wind energy.
 - (4) Kinetic energy of moving water, including waves, tides, or currents; or water released through a dam.
 - (5) Geothermal energy.
 - (6) Municipal solid waste.
 - (7) Landfill gas produced by municipal solid waste.

- (GG) "Renewable energy system" means a facility, electricity generation system, or a set of electricity generation systems that use one or more renewable energy resource to generate electricity. Renewable energy system does not include any of the following:
 - (1) A hydroelectric pumped storage facility.
 - (2) An incinerator.
- (HH) "UL" means underwriters laboratory.
- (II) "UL 1741" means the "Standard for Inverters, Converters, Controllers and Interconnection System Equipment for Use with Distributed Energy Resources."
- (JJ) "UL 1741 scope 1.1A" means paragraph 1.1A contained in chapter 1, section 1 of UL 1741.
- (KK) "Utility" means the City's Department of Public Works.
- (LL) "Working days" means days excluding Saturdays, Sundays, and other days when the offices of the Utility are not open to the public.

3. **Safety and Reliability.** Of the utmost importance to the Utility, its personnel, utility customers and property is that the interconnection of the Customer-generator with the Utility be maintained in a safe and reliable manner. The Utility must approve and ensure all Customer-generators are properly interconnected and that all protective & disconnect devices are in place before the Utility permits interconnection.

4. **Availability of Net Metering.** Net metering is available to customers who own and operate a project on the customer's premises. Ownership of a project on customer premises by a third party is not permitted. Each Customer will be limited to generation capacity designed to meet only the Customer's electric needs. The project must be a renewable energy system. The Utility currently purchases wholesale power from Indiana Michigan Power Company, an affiliate of American Electric Power, under a long term purchase power agreement. The Utility reserves the right to limit the total generating capacity of all Customer-generators as necessary to comply with contractual requirements of our purchase power agreement and as necessary to preserve the financial integrity of the Utility.

5. **Application Process.** The applicant must apply by completing the Generator Interconnection Application Form at least 90 days in advance of the proposed activation date. Approval of the application by the Utility must be granted prior to activation of the project. The process is described in detail in the Generator Interconnection Requirements. Category 3 projects require approval of the City Council prior to beginning the application process. Any customers operating a project at the time of enactment of this policy shall be required to complete the same application process as a new applicant.

6. **Connection to the Utility's Distribution System.** The Customer-generator's system shall not be connected to the Utility's distribution system unless it meets all applicable safety and performance standards, including the following:

- (A) City of South Haven Generator Interconnection Requirements.
- (B) National Electric Safety Code.
- (C) NFPA 70: National Electric Code.
- (D) Generator Interconnection and Operating Agreement.
- (E) Other local rules or policies governing installation of the Customer-generator's system, including applicable Zoning Ordinances.

The Customer shall, at their expense, obtain any and all necessary permits, inspections and approvals required by any local public authorities and any other governing regulations in effect

at the time of interconnection.

7. **Delivered Voltage.** The delivered voltage and delivery point of the Customer-generator shall be at the same delivered voltage and delivery point that would be supplied by the Utility if the Customer purchased all of its electricity from the Utility.

8. **Contract Term.** The contract term shall be as long as the Customer conforms to the Safety, Reliability & Legal rules and regulations within this policy, and all other requirements of electric utility customers.

9. **Metering.** A bi-directional watt-hour electric meter (or equivalent) will be installed at the Customer's location to measure the energy consumed and any off-setting energy produced on-site. The Utility will furnish, install, maintain and own all metering equipment. Costs will be determined under the Additional Costs and Responsibilities clause below.

10. **Billing.** The monthly billing rate shall be as stated in the current electric rate structure. Customers are responsible to pay monthly basic electric charge, power usage rate, demand charge if applicable, other surcharges, and taxes. If the meter reading for a billing period indicates that the Customer consumed more power than was delivered to the distribution system, the Customer shall pay the Utility for the net power usage in accordance with the current electric rate structure. If the meter reading for a billing period indicates that the Customer delivered more power to the distribution system than was consumed, the Utility will credit the Customer for the net power delivered at the avoided cost of wholesale power. Credits for net power delivered may accumulate from month to month. At the end of the City's fiscal year, the City has the option to pay any accumulated credit to the Customer-generator.

11. **Filing Fee.** The Customer will be required to pay a filing fee at the time that the interconnection application is submitted. The filing fee will be \$100.00 for Category 1 and Category 2 projects. The filing fee for Category 3 projects will be \$0.67 per kW.

12. **Additional Costs and Responsibilities.** The Customer will be required to pay for distribution system study costs, distribution system upgrade costs, the cost of metering, transformation, system protection, and any related safety/protective equipment in excess of what would normally be paid for by the City to meter electrical consumption. Protective equipment will be installed by the Customer to provide adequate protection to the City's electric utility system and its employees, and to the Customer's property, and to prevent any interference with the City's supply of energy to other utility customers. This equipment will be owned, installed and maintained by the Customer.

13. **Renewable Energy Credits.** Any renewable energy credits created by the installation of a project remain the property of the Customer-generator.

14. **Failure to Comply.** The Utility may disconnect the Customer's service from the distribution system if the Customer fails to comply with any of the stipulations of this policy, the Generator Interconnection Requirements, the National Electric Safety Code, NPFA 70: the National Electric Code, Underwriters Laboratories, the Generator Interconnection and Operating Agreement, or the City of South Haven Public Utilities Rules, Regulations and Policies, as amended.