

Lyon-Lincoln Electric Cooperative

607-SAFETY, RELIABILITY, AND SERVICE QUALITY

1.0 Introduction

Lyon-Lincoln Electric Cooperative is a member-owned electric distribution cooperative created to serve the electrical needs of our member-owners. Since our inception, safety, reliability and service quality (SRSQ) have been high priorities. The employees, management and the board of directors are committed to meeting the service needs of our member-owners at reasonable rates while ensuring the safe and reliable operation of the distribution system.

The 2001 Minnesota Legislature underscored the importance of safety, reliability and service quality for electric utilities when it passed the Minnesota Energy Security and Reliability Act (Act). This Act requires the Minnesota Public Utilities Commission (MPUC) to establish SRSQ rules for regulated investor-owned utilities. Article 6 of this Act requires each electric cooperative association to adopt provisions for safety, reliability and service quality. The provisions adopted by electric distribution cooperatives should be as consistent as possible with the standards adopted by the Minnesota Public Utilities Commission. While consistency is a clear legislative goal, Article 6 further specifies that minimum performance provisions must recognize different characteristics of cooperative system design and hardware. Service quality provisions will meet a test of technical and administrative feasibility.

On September 30, 2002, the Minnesota Public Utilities Commission published its proposed permanent rules relating to safety, reliability and service quality standards for electric utilities in the State Register publication. These proposed SRSQ rules were developed from comments and meetings involving various interest groups. The proposed rules were ultimately adopted and became effective on January 28, 2003.

This document contains Lyon-Lincoln Electric Cooperative's SRSQ policy that is consistent with the intent of the Minnesota Energy Security and Reliability Act and the SRSQ rules adopted by the Minnesota Public Utilities Commission. Any differences from the standards adopted by the MPUC reflect the unique service characteristics and best interest of our member-owners as determined by our elected board of directors.

2.0 Safety

Safety is of paramount importance to Lyon-Lincoln Electric Cooperative. The construction, operation and maintenance of our distribution system promotes safety for electric cooperative employees and our member consumers. The safety practices of Lyon-Lincoln Electric Cooperative reflect the requirements and/or recommended practices of the National Electrical Safety Code, the Rural Utilities Service, the Institute of Electrical and Electronics Engineers, Inc. and the American National Standards Institute, and the Occupational, Safety and Health Administration as described below.

2.1 National Electrical Safety Code

When constructing new facilities or reinvesting capital in existing facilities, Lyon-Lincoln Electric Cooperative will comply with the requirements stated at the time the work is done in the then most recently published addition of the National Electrical Safety Code, as published by the Institute of Electrical and Electronics Engineers, Inc. and approved by the American National Standards Institute.

2.2 Requirements and Recommended Practices of the Rural Utilities Service

As a borrower from the Rural Utilities Service, Lyon-Lincoln Electric Cooperative construction practices will meet all construction requirements as determined by the Rural Utilities Service.

2.3 Requirements and Recommended Practices of the Institute of Electrical and Electronics Engineers, Inc. and the American National Standards Institute

Lyon-Lincoln Electric Cooperative will follow the recommended practices of the Institute of Electrical and Electronics Engineers, Inc. and the American National Standards Institute regarding electricity metering and standard voltage ratings for electric power systems and equipment.

2.4 Occupational Safety and Health Administration Rules

When constructing, installing, refurbishing, or maintaining facilities, Lyon-Lincoln Electric Cooperative will comply with all regulations promulgated by the United States Occupational Safety and Health Administration and by the Occupational Safety and Health Division of the Minnesota Department of Labor and Industry.

2.5 Responsibility

The General Manager/CEO of Lyon-Lincoln Electric Cooperative will be responsible for ensuring that the cooperative meets the safety requirements as described above. In addition, the General Manager/CEO will summarize safety incidents to the Board of Directors annually.

3.0 Reliability

Long before the 2001 Minnesota Legislature adopted the Minnesota Energy Security and Reliability Act and before the Minnesota Public Utilities Commission adopted Rules on Safety, Reliability and Service Quality, Lyon-Lincoln Electric Cooperative has been tracking service interruptions as required by the Rural Utilities Service (RUS) and its predecessor, the Rural Electrification Administration (REA). The service interruption information monitored by REA/RUS is described in Bulletin 1717B-2 and is reported in Part G of the year-ending RUS Form 7. This information includes annual and five-year average hours of interruption caused by power supplier, extreme storm, prearranged and other causes.

The Minnesota Energy Reliability and Security Act and the Minnesota Public Utilities Commission SRSQ rules require monitoring of three reliability performance standards as follows:

- a. System Average Interruption Duration Index (SAIDI);

- b. System Average Interruption Frequency Index (SAIFI); and
- c. Customer Average Interruption Duration index (CAIDI).

3.1 Reliability Measurement

Lyon-Lincoln Electric Cooperative will calculate the following reliability performance measurements each calendar year:

SAIFI -- System Average Interruption Frequency Index (SAIFI) – designed to give information about the average frequency of sustained interruptions per customer over a defined time. In words, SAIFI is equal to:

$$\frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

SAIDI -- System Average Interruption Duration Index (SAIDI) – designed to provide information about the average time that customers are interrupted. In words, SAIDI is equal to:

$$\frac{\text{Sum of Customer Interruption Durations}}{\text{Total Number of Customers Served}}$$

CAIDI -- Customer Average Interruption Duration Index (CAIDI) – the average time required to restore service to the average customer per sustained interruption. In words, CAIDI is equal to:

$$\frac{\text{Sum of Customer Interruption Durations}}{\text{Total Number of Customer Interruptions}}$$

Calculation of these indexes will be normalized to account for the impact that major storms have on such performance measurements. Such normalization will be consistent with past normalization of similar calculations provided to RUS.

3.2 Reliability Performance Improvement

To the extent technically and economically feasible, Lyon-Lincoln Electric Cooperative will incorporate a review of the above reliability measurements into the cooperative's work plan and construction process to improve or maintain the cooperative's reliability measurements.

3.3 Nominal Voltages

Lyon-Lincoln Electric Cooperative will make all reasonable efforts to ensure that the nominal electric service voltages on the cooperative's side of the meter meet the requirements of the American National Standards Institute for nominal system voltages greater or less than voltage range B.

3.4 Staffing Levels

Lyon-Lincoln Electric Cooperative will maintain sufficient staffing levels of field employees responsible for responding to outages and performing system operation and maintenance of distribution lines.

3.5 Reporting and Corrective Action

Lyon-Lincoln Electric Cooperative will continue to submit service interruption information annually to the Rural Utilities Service. In addition, the General Manager/CEO will summarize the Cooperative's annual performance for SAIDI, SAIFI and CAIDI and report these results to the Board of Directors, indicating exceptional performance or likely operational practices and system improvements to address any observed deficiencies or performance levels below expectations.

4.0 Service Quality

The Minnesota Energy Security and Reliability Act indicates that service quality provisions must specify, if technically and administratively feasible:

1. Average call center response time;
2. Customer disconnection rate;
3. Meter-reading frequency;
4. Complaint resolution response time;
5. Service extension request response time;
6. Recording of service and circuit interrupter data;
7. Summary reporting;
8. Historical reliability performance reporting;
9. Notices of interruption of bulk power supply facilities and other interruptions of power; and
10. Customer complaints.

The Minnesota Rules regarding service quality establish both performance and reporting requirements to address the above Legislative directive. These service quality rules include provisions for the following:

- Meter reading frequency;
- Replacing malfunctioning meters;
- Service calls; and
- Call center response time.

In addition, the Rules require reports on the following service quality matters:

- Meter reading performance;
- Involuntary disconnection;
- Service extension response times;
- Call center response times;
- Emergency medical account status;
- Customer deposit; and
- Customer complaints.

The following Lyon-Lincoln Electric Cooperative service quality provisions reflect the intent of the Minnesota Energy Security and Reliability Act and the Minnesota SRSQ service quality rules to the extent that such requirements are technically and administratively feasible. Furthermore, these provisions have incorporated a consideration of costs and benefits to Lyon-Lincoln Electric Cooperative member-consumers as intended in Article 6, Section 2 of the Minnesota Energy Security and Reliability Act.

4.1 Major Service Interruptions

Lyon-Lincoln Electric Cooperative will, to the extent feasible and practical, inform local news agencies of any major service interruption. At that time, Lyon-Lincoln Electric Cooperative will provide the following information, to the extent known:

- A. the location and cause of the interruption;
- B. the number of customers affected;
- C. the expected duration of the interruption; and
- D. the cooperative's best estimate of when service will be restored, by geographical area.

A major service interruption is defined as an interruption of service at the feeder level or above and affecting 500 or more customers for one or more hours.

4.2 Customer Notice of Planned Service Interruptions

Lyon-Lincoln Electric Cooperative will give customers the most effective actual notice possible of any planned service interruption expected to last longer than 60 minutes. For any planned interruption expected to exceed four hours, the cooperative will provide, if feasible, mailed notice one week in advance and/or notice by telephone or door-to-door household visits 12 to 72 hours before the interruption. Planned service interruptions will be scheduled at times to minimize the inconvenience to customers to the extent feasible. When planned service interruptions exceeding four hours are cancelled, Lyon-Lincoln Electric Cooperative will, if feasible, notify said customers of the service interruption cancellation.

4.3 Meter Reading Frequency

Lyon-Lincoln Electric Cooperative will attempt to read all meters on a monthly basis. Reading a meter may be accomplished by cooperative personnel, automated metering equipment, or customers providing a self-reading. A goal for such meter reading will be at least 90 percent of all meters each month.

4.4 Replacing Malfunctioning Meters

Within ten calendar days of receiving a report from a customer questioning the accuracy of a meter or within ten calendar days of learning in some other way that a meter may be inaccurate, Lyon-Lincoln Electric Cooperative will check the meter for accuracy and replace it if necessary. Replacement meters will be tested for accuracy before installation.

4.5 Service Calls

Lyon-Lincoln Electric Cooperative will keep service call appointments and will provide as much notice as possible when an appointment cannot be kept. A service call appointment is kept if the worker arrives within a four-hour period set by the cooperative and clearly communicated to the customer.

4.6 Call Center Response Time

On an annual basis, Lyon-Lincoln Electric Cooperative will answer 80 percent of calls received by the business office during regular business hours within 20 seconds. "Answer" means that an operator or representative is ready to render assistance or accept the information to handle the call. Acknowledging that the customer is waiting on the line and will be served in turn is not an answer. If the cooperative uses an automated call-processing system, the 20-second period begins when the customer has selected a menu option to speak to a live operator or representative. This option will be provided if the cooperative uses an automated call-processing system. The cooperative will not delay connecting the caller to a live operator or representative for purposes of playing promotional announcements.

On an annual basis, Lyon-Lincoln Electric Cooperative will answer 80 percent of calls directed to the telephone number for reporting service interruptions within 20 seconds. "Answer" may mean connecting the caller to a recording providing, to the extent practicable, at least the following information:

- A. the number of customers affected by the interruption;
- B. the cause of the interruption;
- C. the location of the interruption; and
- D. the cooperative's best estimate of when service will be restored, by geographical area.

4.7 Service Extension Response Times

Lyon-Lincoln Electric Cooperative will determine service extension request response times, including:

- A. the number of customers requesting service to a location not previously served by the cooperative and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and
- B. the number of customers requesting service to a location previously served by the cooperative, but not served at the time of the request, and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service.

4.8 Customer Complaints

Lyon-Lincoln Electric Cooperative will monitor complaints by customers including:

- A. the number of complaints received;
- B. the number and percentage of complaints alleging billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, and the number involving service-extension intervals, service-restoration intervals, and any other identifiable subject matter involved in five percent or more of customer complaints;
- C. the number and percentage of complaints resolved upon initial inquiry, within ten days, and longer than ten days;
- D. the number and percentage of all complaints resolved by taking any of the following actions:

- (1) taking the action the customer requested;
- (2) taking an action the customer and the cooperative agree is acceptable;
- (3) providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the cooperative; or
- (4) refusing to take the action the customer requested.

4.9 Involuntary Disconnections

Lyon-Lincoln Electric Cooperative will track involuntary disconnections of service, including, for each customer class and each calendar month:

- A. the number of customers who received disconnection notices;
- B. the number of customers who sought cold weather rule protection and the number who were granted cold weather rule protection;
- C. the total number of customers whose service was disconnected involuntarily and the number of these customers restored to service within 24 hours; and
- D. the number of disconnected customers restored to service by entering into a payment plan.

4.10 Emergency Medical Account Status

Lyon-Lincoln Electric Cooperative will track the number of customers who requested emergency medical account status under Minnesota Statutes, section 216B.098, subdivision 5, the number whose applications were granted, and the number whose applications were denied and the reasons for each denial.

4.11 Customer Deposits

Lyon-Lincoln Electric Cooperative will track the number of customers who were required to make a deposit as a condition of receiving service.

4.12 Reporting

The General Manager/CEO of Lyon-Lincoln Electric Cooperative will summarize the cooperative's annual performance for service quality provisions 4.1 through 4.11 and report these results to the Board of Directors, indicating any areas for future changes to improve customer service quality.

Approved by the Board of Directors _____
President

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