

Virginia Department of Public Utilities
618 2nd St S PO • Box 1048
Virginia, MN 55792
Phone 218-748-7540 • Fax 218-748-7544

Voluntary Permanent Disconnection of Steam Service Information

Customer Information

Customers requesting voluntary permanent disconnect of their steam service need to be aware of the policies relating to Voluntary Permanent Disconnection and must follow the steps below in order to disconnect from the City of Virginia's steam system:

1. Complete a "Request for Voluntary Permanent Disconnection of Steam Service" and submit to the Department of Public Utilities (see last page).
2. Customer will receive a letter indicating the Disconnection Fee options and an agreement for the conditions of disconnection.
3. Customer converts to alternate heating source.
4. Pay the stated Disconnection Fee for a Single Service Line or appropriate portion if on a Joint Service Line as indicated in the "Voluntary Permanent Disconnection of Steam Service Agreement". The fee stated in the letter sent will be guaranteed for a period of 30 calendar days. If paying after the 30 day period is up, contact the Utility (fees from the current Utility Fee Schedule which are subject to change without notice). In addition, return a signed copy of the "Agreement" with check.
5. Upon receipt of Disconnection Fee and signed agreement, the Utility will issue a work order to perform the necessary disconnection. The Utility will remove the Steam Service charge from the customer's utility account upon the sooner of inspection/confirmation that the system has been capped or the Utility has performed the physical disconnection (Disconnection fee must be paid in full before Steam Service charge will be removed).

Any questions regarding whether the service line is a "Single" or "Joint" service line can be answered by calling 218-748-7540 and asking for our Engineering Department.

The Customer Service Policies on Voluntary Permanent Disconnection of Steam Service are also available from the Business Office of the Public Utility at 618 2nd St S, Virginia, MN 55792 or from the Utilities' web site at www.vpuc.com under the Customer Service section. The Utility Fee Schedule is available at our business office or also on our web site.

CUSTOMER SERVICE POLICIES

VOLUNTARY PERMANENT DISCONNECTION OF STEAM SERVICE

It is the goal of the Virginia Department of Public Utilities to disconnect from the distribution system all inactive, abandoned, or non-revenue producing steam lines to maintain the best efficiencies and reduce system losses for the remaining customers. The Virginia Public Utilities will be financially responsible for all disconnect costs on voluntarily disconnected inactive, abandoned, or non-revenue producing steam service lines before adoption of this policy by the Virginia Public Utilities Commission. Property Owners involuntarily terminated from steam shall bear no cost to disconnect from the system.

After adoption of this policy, the property owner of a building structure to be voluntarily disconnected from the district steam heat system is responsible for notifying the Virginia Department of Public Utilities (Department) Engineering Department of their intent to discontinue steam service to their property at least 15 calendar days from starting the installation of a new heat system. Failure to do so shall allow the Virginia Department of Public Utilities to estimate the end date. Final termination of the service line at the Main or "Tee" shall be completed within 180 days. Monthly service charges shall continue to apply until the service line is no longer attached to the district heat system.

The ownership of a steam service is the property owner(s) from its connection on the main, or shared ownership when jointly owned, to the first valve. The Virginia Department of Public Utilities historically provides maintenance to this portion of the service line through rates paid. The Department will not provide any maintenance on inactive, abandoned, or non-revenue producing steam lines still connected to the district system since no rates are paid as per the original installation agreement. The property owner shall assume all care and liability of inactive, abandoned, or non-revenue producing steam service lines.

All Virginia Department of Public Utilities costs associated with the voluntary disconnection of steam service lines are the responsibility of the property owner as follows:

Single Customer Service Line. All inactive, abandoned or non-revenue producing Single Customer Service Lines voluntarily abandoned shall be permanently disconnected at the main. The property owner shall be financially responsible for **prepayment** of 100% of the Virginia Department of Public Utilities termination costs. In compliance with the Department of Labor and Industry pipe fitters statutes, the Department personnel or their contractors must do the clay tile or tunnel entry, remove the asbestos, terminate the service, repair the hole in the main, repair the insulation and the clay tile or tunnel entry site. **The property owner** is responsible for contracting and hiring the necessary qualified contractor to satisfactorily excavate the site and restore the surface to pre-existing condition. If final completion and restoration is not completed within 180 days, the City of Virginia or Virginia Department of Public Utilities may at their discretion and as workload permits do the work and the customer will be billed, possibly at a higher rate than an independent contractor. *Service charges shall continue to apply until termination, restoration and inspection are complete.*

Joint Customer Service Line. All inactive, abandoned or non-revenue producing Joint Customer Service Lines voluntarily abandoned shall be permanently disconnected at the closest point still "in service" such as a "Tee" on the joint service line. The property owner first terminating at the "Tee" will be financially responsible for **prepayment** of one-half the estimated Virginia Public Utilities excavation, termination and restoration cost at the main. Work at the "Tee" shall be done at the discretion and as workload permits by Virginia Department of Public Utilities personnel. *Service charges shall continue to apply until termination, restoration and inspection are complete.* The remaining property owner(s) of a joint service, now considered a Single Customer Service Line, shall

remain liable for their one half of the then current Virginia Department of Public Utilities estimated costs for termination at the main, should they voluntarily terminate at a later date. A “**Certificate of Joint Service Line Abandonment Discount**” shall be issued to, and maintained by the remaining customer staying on steam authorizing a 50% discount on the actual estimated costs for service line disconnect at the main should final voluntary termination occur in the future. The Certificate applies only to work at the main, all of which shall be done by the Virginia Department of Public Utilities personnel. No certificate, no discount. Certificates are transferable to subsequent owners of the same property. For service lines serving more than two customers it is understood the fractional responsibility and discounts shall be proportional to the number sharing the line.

Voluntary Disconnect and Conversion after Enactment of this New Policy. If 80% of the customers downstream of an existing valve petition for voluntary steam service termination, the main line will be terminated with no charge for permanent disconnect. The 20% or fewer who will be *involuntarily* abandoned will be eligible for rebates, get two year notification and all served by the main will pay the current monthly service charge until the main is permanently disconnected from the active system. The current monthly service charge will remain in place until all customers on that main are permanently terminated and the line is de-energized.

Compliance with this policy is not dependent on prior knowledge or notification

Effective Date: November 25, 2003
Approved and adopted by Commission: November 24, 2003

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Request for Voluntary Permanent Disconnection of Steam Service

Customer Name _____ Account Number _____
Mailing Address _____
Service Address _____
Home Phone _____ Work Phone _____

New Heating Source will be:

- Electric Gas LP Gas Oil Wood Other _____

Estimated date your conversion will be completed _____

By signing below I state that I have received a copy of the policy on “Voluntary Permanent Disconnection from Steam” and have read and am familiar with the policy, including applicable costs associated with the disconnection of the steam service and I hereby agree to fully comply to the satisfaction of the Public Utilities Commission.

Signature

Date

To be completed by Virginia Department of Public Utilities

- EDP – Give the attached “Customer Information” to the customer
- Give copy to Engineering and original to TP
- Engineering – Issue Memo to Accounting
- Letter Sent to Customer (TP) _____
- Fees Received/Letter Signed (TP) _____
- Service Order Written for Disconnection # _____ (TP)
- Request issued for Disconnection/Termination of Steam Commodity Charge (TP) _____
- Certificate(s) of Joint Service Line Abandonment Discount issued (note on affected accounts)