

Luverne Municipal Utilities (LMU)
Dual Fuel Heating Program
Effective: January 1, 2006

Availability: The LMU dual fuel heating rate is available to all residential customers in the following rate classes who comply with the terms of this program: Residential, Residential All Electric, Controlled Electric Heat and Water Heater classes. Commercial and Demand metered customers are not eligible for this program.

Application for Service: Residential customers applying for the dual fuel program must submit a dual fuel application and sign a dual fuel agreement.

Dual Fuel Rebate: Qualifying residential customers will receive a rebate based on heated main level square footage to help defray the costs of installing the electric heat portion of their dual fuel system. (See rate schedule for current rebate level.) No rebate is available for the installation of electric heat without a secondary heating system.

Dual Fuel Rate: Qualifying residential customers will receive an energy credit for the electricity used by their dual fuel heating system for the months of October through May. (See rate schedule for current rates and credits.) The Controlled Usage Rate will apply to electricity used through the dual fuel meter for the months of June through September.

Primary Heating System: The primary heating system for the home must be permanently connected electric heat. The primary heating system must provide 100% of the heating needs for the home during off-peak hours.

Secondary Heating System: The secondary heating system must utilize an alternative fuel source, such as natural gas, propane, fuel oil, or it may be thermal storage. The secondary heating system must be capable of maintaining a temperature of at least 60 degrees throughout the entire heated area for 12 continuous hours during interrupted periods. The Applicant must submit a guaranty from their heating contractor stating that the secondary heating system is capable of meeting the entire heating needs of the home. Gas fireplaces will be allowed as a secondary source of heat as long as the quantity of fireplaces and their BTU output is capable of heating the entire home as described above. Wood burning or corn burning fireplaces and solar panels are not eligible as a secondary heating source. Luverne Municipal Utilities will evaluate other secondary heating systems not mentioned in this section on an individual basis to determine if they would be eligible for the Dual Fuel Program.

Thermostat: Both the primary and secondary heating systems should be on a common thermostat. This results in temperature stability when LMU requires the secondary system to operate. Two thermostats may be allowed if a single thermostat cannot be installed with the written approval of LMU.

Heat Pumps: Electric heat pumps and their supplemental electric heat components qualify as a primary heating source for the dual fuel program if the unit provides 100% of the heating needs of the home during off-peak hours.

Residential customers with heat pumps are required to also allow LMU to control the cooling component (air conditioning) of the heat pump. LMU will compensate the residential customers using heat pumps for air conditioning with the dual fuel rate.

Radiant Floor Heat: Electric radiant floor heating (electric boiler hydronic system or electric cable system), qualifies as a primary heating source for the dual fuel program if the unit provides 100% of the heating needs of the home during off-peak hours.

Radiant floor heat storage may also be used as a qualified secondary heating system; however, the heating contractor must submit a guaranty to LMU stating that the radiant floor storage is capable of meeting the homes entire heating needs.

Metering Requirements: Qualified residential customers are required to have an additional meter to measure the dual fuel electric consumption. The regular electric service meter, the dual fuel meter, and the dual fuel control unit must be mounted on the outside of the customer's home.

Customer Bypass Switch: The control scheme wiring installed by your electrician must include a test bypass switch. This switch will enable the residential customer to manually switch off the primary electric heating and turn on the secondary heating system for maintenance and testing.

Equipment Furnished by LMU: The dual fuel meter, in-line fuses, and dual fuel control unit will be furnished to the customer at no cost. LMU will own and operate these devices.

Equipment Furnished by the Customer: Dual fuel residential customers shall provide all other equipment not furnished by LMU. This includes a primary and secondary heating system and all electrical wiring necessary to permit switching of controlled electric loads.

Equipment Installation: All equipment installed by the residential customer must conform to current LMU regulations, State of Minnesota Electrical Code, and National Electrical Code. All equipment shall be installed at the customer's expense.

Dual Fuel Control Unit: The dual fuel control unit provided by LMU shall be mounted in an upright position adjacent to the dual fuel meter with the wiring connection made through approved conduit and "T" or bell box. The dual fuel control unit shall be easily accessible for maintenance and testing.

Control Wiring: All 120-volt/240-volt control transformers for heating and cooling must be fed from the same circuit as the fan in a forced air system, from the same circuit as the pump in a hot water system, or from the same circuit as the living room heat circuit of a baseboard system. Wiring to the receiver/controller must have a minimum insulation of 600-volt rating.

Affidavit: A residential customer applying for electric service must file an affidavit with LMU. This affidavit will require inspection by the State electrical inspector.

Inspection by LMU: LMU will inspect the installed equipment to assure that it conforms to regulations. LMU will also periodically inspect the operation of the dual fuel control unit and heating system.

Electric Storage Water Heaters: Dual fuel residential customers who have a Marathon water that is controlled by LMU's load management system will receive the dual fuel rate for electricity used by the water heater.

Central Air Conditioners: Dual fuel residential customers who have central air conditioning must install a load control unit to allow cycling of the air conditioner by LMU's load management system. The residential customer must provide a system that utilizes the common dual fuel relay contact in the dual fuel control unit.

Other Qualifying Loads: Permanently wired, 240-volt, electric garage heat is eligible for the dual fuel rate with no secondary heating system required. However, residential customers should be fully aware that the garage heat will be shut off during LMU control periods and temperatures will very likely fall below freezing. LMU shall not be liable for any loss or damage caused by or resulting from interruption of service.

Non-Qualifying Loads: Electrical equipment not expressly mentioned in this program description and appliances, such as washers, dryers, ranges, saunas, etc, are not eligible for the Dual Fuel Program.

Maintenance of Equipment: The residential customer shall maintain all equipment except the dual fuel control unit and any meters owned by LMU.

Tampering: If LMU discovers that any service has been tampered with so as to defeat the intent of these program regulations, the residential customer will immediately be removed from the dual fuel rate. All electricity of the dual fuel meter used between the last inspection and discovery of the tampering will be billed at the highest rate in effect for the customer class.

Liability: LMU will be held harmless from any obligation or responsibility concerning the installation or operation of any system connected to the dual fuel meter. Maintenance of the system is completely the responsibility of the customer. LMU shall not be liable for any loss or damage caused by or resulting from any interruption of service.

Multiple Dwelling Residential/Commercial Dual Fuel: If a central heating system is used for primary/secondary heat, the complementary primary/secondary heating system must also be a central unit for **all** multiple units. Likewise, if an individual unit has an independently metered primary heating service, the secondary heat must be an individual unit. The dual fuel program is available to multiple dwellings only if **all** units within are changed to dual heat.

Customers Moving Into a Home with Dual Fuel: Residential customers who purchase or move into a home that currently participates in the dual fuel program will automatically continue to receive the dual fuel rate, unless the residential customer notifies LMU to discontinue the program. LMU will inform new residential customers of the program rules and regulations.

Ending Participation in the Program: Residential customers who no longer wish to participate, or who are removed from the dual fuel program, will immediately be taken off of the Dual Fuel Rate and placed into the appropriate rate classification. LMU will schedule a time to remove the dual fuel control unit and meter. Residential customers no longer participating in the program must hire an electrician to move the heating/water heating/air conditioning from the dual fuel panel to the main service panel. Residential customers must wait one full year from termination to reapply for the program. Residential customers who reapply for the program must pay for all costs of having the metering and controls reinstalled. LMU will provide the dual fuel meter, in-line fuses, and dual fuel control unit.