

Residential Subdivisions: Electric Service Requirements

We want to work with you to supply electricity for your subdivision.

The procedures in this book enable a complex and regulated process to work for the many people involved.

This chapter focuses on the requirements for residential developers. We want to provide developers and their contractors with the information they need to plan and receive electric service for their development. We want to work with you and assist you, so that this process works smoothly.

The following procedures and requirements are necessary, because they provide a structure that allows a complex process to be completed in a predictable and efficient manner. We realize that the successful construction of a residential subdivision requires cooperation and scheduling among many entities, which could include contractors, utilities, municipalities, banks and others. Therefore, we provide this document to

- promote mutual planning and scheduling
- promote fair and consistent treatment for you and your contractors
- ensure compliance with the requirements of the Public Regulation Commission
- coordinate with the requirements of local government inspection and permitting agencies regarding enforcement of the National Electrical Code (NEC), and the National Electrical Safety Code (NESC)
- ensure compliance with all applicable environmental laws

Our process to provide you with electricity is governed by several policies that are approved and monitored by the Public Regulation Commission. The complete text of these policies can be obtained from your new service representative. Most of these policies are included in summary form in the chapter of this document on “Policies”, page 61. In this chapter, we provide you with the important information from these policies that affects the residential subdivision developer.

All our procedures are developed to be in compliance with the PNM Line Extension Policy (LXP). This policy is established to ensure that all customers, including those desiring line extensions and existing rate payers, are treated fairly and consistently.

The LXP states that PNM must design the minimum system needed to provide service to the customer. In regard to underground electric systems, the minimum system generally incorporates a looped design. The looped underground design is required to provide customers on this system with an acceptable electric restoration time should a failure occur in the underground cable.

What you need to know about the Line Extension Policy:

- The Line Extension Policy governs the costs of building line extensions.
- You will need a line extension to provide electricity to your development.
- Your cost for a line extension is our estimated cost to design and build electric facilities to serve your development less any credits to which you are entitled.
- Initial credits are based on lot credit amounts and/or on revenue credit amounts. See the Line Extension Policy in the “Policies” section of this book. (See page 61)
- More information on credits can be read further in this section.

Steps to Follow to Provide Electric Service to Your Subdivision

The following steps tell you how to obtain electric service for your subdivision. A book of this size cannot cover all situations. Please be sure to work with your new service representative to meet your needs. This book cannot take precedence over contracts that are developed for your project, or the rules and regulations that govern line extensions. In most cases, you have the option to have telephone and cable TV installed in the same trench as the PNM electric and gas facilities. When joint trench utilities are planned for subdivisions, your PNM new service representative will serve as the focal point for your project.

You may want to coordinate your need for construction power with your permanent line extension.

1. Plan for Electric Service

Consider the coordination of utility installation with your construction schedule.

Just as you must work with construction plans for the development of your subdivision, we must develop plans for the power lines that will supply electricity to your subdivision. Give consideration to how best to coordinate power line construction with your site development. Standard voltage for residential customers is single-phase 120/240 volt service.

- Where are the power lines and transformers going to be installed?
- Where and when would you like the construction power for your development?
- How will your grading, curb, and road installation affect installation of power facilities?
- How will other utilities affect installation of power facilities?
- Are there electric facilities on site, or will there be costs to construct electric lines to your site?
- Will there be utilities going under the roads and can they be installed prior to paving?

Electric line extensions are not free. You need to consider this cost in the financial planning for your subdivision.

Electric line extensions are not scheduled until contracts are signed and payment is received. Please contact PNM's New Service Delivery representative regarding PNM's scheduling process.

Call your new service representative for assistance.

Call your local PNM office (page 9) to request a new service representative to work with you in the planning stages of your project.

2. Submit Your Specifications to Us

We need your plans, so that we can design the electric facilities to serve your subdivision.

Electric service to subdivisions can be very complex with many variables. Don't forget to plan for electric service to such things as street lights, power for sprinkler systems or wells and power to guard houses, as required. Please discuss and coordinate your specifications with us as early as possible and provide us with the following:

- site plan and filed plat in electronic format
- proposed public utility easement as required by the utilities
- existing easements of record on the property under development
- grading plan
- driveway locations (this is essential for zero lot line and town house construction)
- average square footage of future homes
- type of heating and cooling system for future homes
- special electrical requirements
- landscape plan
- plans indicating retaining walls and concrete lined drainage areas
- street light locations as determined by the local authority
- any other specialty plans
- proposed meter locations when possible

Electric meter locations are a sensitive issue during house construction. Please let your home builders know that there are limitations regarding electric meter locations.

What you need to know about transformer and electric meter locations:

- We need to work with you to determine the transformer and meter locations. Ask your new service representative for meter and transformer locations.
- Meters must be easily accessible for reading and maintenance.
- Transformers must be easily accessible by truck for operation and maintenance.
- Refer to drawing MS-7-1.0 for required working clearance around meters.
- Refer to drawing DS-7-16.12 for required working clearance around transformers.

Make sure your facilities are a safe distance from overhead lines.

The National Electrical Safety Code (NESC) establishes clearances that must be maintained between power lines and buildings, signs, and other structures. **These clearances must be maintained regardless of easement boundaries.** When planning your facilities, please work with us to ensure that these required clearances are maintained.

The Predesign Conference is a key coordination opportunity.

A Predesign Conference will need to be coordinated with your new service representative. The Predesign Conference is for you, us, other utilities, contractors, and any other concerned party to meet and discuss details of the project. Items that are discussed are not limited, and typically include our proposed electric system design, construction scheduling, utility location, street crossings, customer staking responsibilities, joint use of easements by utilities, barricade requirements for trenches, dust control, and responsibility for opening and closing trenches. Decisions made during this conference will be incorporated into formal construction agreements.

We will estimate the cost of the electrical facilities to serve you.

After we receive your plans, and typically after the predesign conference, we will design a permanent line extension, estimate the cost of the line extension, and assist, if required, in your acquisition of necessary rights-of-way to provide power to your development. PNM will comply with all applicable environmental laws responsible protection of natural and cultural resources are part of the cost of the line extension.

Choose who will dig the trench.

What you need to know about trenching:

- For underground line extensions, you may dig the trench, or you may choose to have us dig the trench consistent with the Trenching Policy, page 72.
- Refer to drawing DS-10-8.0 if you are considering digging the trench.
- Contact your new service representative for specifications on trenching.

3. Develop Line Extension Agreement

The Line Extension Agreement is a contract for the cost of your line extension.

You will need to discuss your service options with your new service representative. We will let you know your cost for the permanent line extension that will serve you. You must pay our estimated cost to build the line extension, less any credits for which you are eligible. The two types of credits available are explained in the following section.

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The National Electrical Safety Code (NESC) establishes clearances that must be maintained between power lines and buildings, signs, and other structures. **These clearances must be maintained regardless of easement boundaries.** When planning your facilities, please work with us to ensure that these required clearances are maintained.

When a line extension passes other unserved lots, the lot credit compensates the line extension customer for the service benefits to these lots.

If the customer believes the revenue from his project will exceed that identified on the revenue credit tables, he may sign a Revenue Credit Guarantee agreement for meeting the higher revenue figure.

What you need to know about Lot Credits

There are four types of lot credits available to compensate the customer for benefits provided to other properties by the line extension.

Lot credits apply only to lots properly filed and recorded in the County Clerk's office. The customer will need to provide copies of this document to PNM in order to get this credit.

The lot credits include:

- **\$400** for each lot made ready for a service drop from either overhead or underground lines.
- **\$50** for each lot passed by the new underground backbone line, which will require padmount transformers and/or pedestals and/or secondary wire to provide future service.
- **\$250** for each lot passed by the new overhead backbone line, which will require pole-mounted transformers and/or secondary wire to provide future service.
- **\$150** for each lot made ready for a service drop by a new overhead transformer hung on an existing pole. This credit is in lieu of the \$400 credit mentioned above.

The total credit given will never exceed PNM's bid or the Customer Built Option Cost, whichever is lower.

Any lot receiving a revenue credit (see below) is not eligible for a lot credit.

What you need to know about Revenue Credits

Up-front revenue credits will be determined by PNM.

The minimum residential revenue credit is \$600.

In order to be eligible for revenue credits, final building plans must be provided to PNM.

Any lot eligible for a revenue credit is not eligible for a lot credit (see above).

Once defined, the revenue credit is firm. No revenue credit reconciliation will be made later.

A Revenue Credit Guarantee (RCG) is required for customers wishing to claim revenue amounts exceeding those normally identified in the Companies Revenue Estimation Table. The RCG is in the form of a signed agreement. The RCG requires the customer to generate actual revenues which meet or exceed the agreed-upon amount within the first 18 months of permanent electric service, or be billed for the difference. For further information on RCG see your new service representative.

4. Make Payment for Electric Facilities

Your payment is the signal to schedule and construct the facilities to serve you.

Your payment and/or signed agreements for the electric facilities we designed to serve you allow us to schedule construction. Construction scheduling is a critical stage in the construction of your building. The advance planning outlined in all the previous steps will enable us to meet your needs. At this time, you will probably start construction on your subdivision, and you may need temporary service for construction power.

5. Develop Your Subdivision

You will develop your site into a residential subdivision, ready for home builders to begin their job. We will construct the electrical system that will allow future homes to receive electricity.

To ensure that we meet your schedule, please keep your PNM new service representative informed of the status of your subdivision and any changes that may arise.

This explains what you will do.

All grading operations shall be completed before we can trench. Please also schedule major landscape filling operations to follow line installation. Proper coordination of landscape operations with construction can reduce costs for all involved.

In general, all curb, gutter, main water and main sewer systems must be installed, and the grading must be within 6 inches of final grade before PNM installation can begin. All construction activities must be in compliance with the agreements reached in the predesign meeting. It is very expensive to relocate facilities after construction. You will pay this expense, if the relocation results from your requested changes or lack of compliance with PNM requirements.

This explains what we will do.

We will build facilities to provide 120/240 volt electric service to each lot within your subdivision. Meters and service connections to each home will be made in the future, after the homes are constructed and ready for occupation.

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