ELECTRIC TARIFFS

TARIFF BOOK ADOPTED JUNE 25, 2020

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ELECTRIC TARIFFS

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ELECTRIC TARIFFS

Section I – Utility Operations

Description of Electric Utility Operations 101.

101.1 Organization

Hamilton County Electric Cooperative Association (HCEC, Cooperative) is an electric cooperative corporation organized and operating under the Electric Cooperative Corporation Act (art. 1528b, V.A.C.S.) and the laws of the State of Texas and is owned by its Members. The Cooperative's business affairs are managed by a board of directors who are elected to the board from and by the Cooperative's Members in accordance with the provisions of the bylaws.

101.2 Type of Service

The Cooperative provides electric utility service through the operation of a rural electric distribution system. The Cooperative does not engage in the generation of electric power, but instead purchases all of its electric energy requirements from Brazos Electric Power Cooperative, Inc. The Cooperative does not own or operate transmission facilities.

101.3 Service Area

A. Certification

The Public Utility Commission of Texas authorized the Cooperative to provide electric utility service by the issuance of a Certificate of Convenience and Necessity.

B. Counties

The service area of the Cooperative includes all or portions of the following counties:

> Hamilton Llano Coryell Mills Lampasas Comanche

San Saba

ELECTRIC TARIFFS

Section I – Utility Operations

C. Cities

The service area of the Cooperative includes all or portions of the following incorporated municipalities:

Copperas Cove

Evant

Gatesville

Kempner

Lometa

South Mountain

102. Purpose and Scope of Tariffs

These tariffs define the service relationship between the Cooperative and persons desiring or receiving electric utility service from the Cooperative.

Contractual rights and obligations of both parties are specified in a manner consistent with regulations affecting the Cooperative's method of operation.

Compliance with these tariffs is required under the Cooperative's Agreement for Electric Service.

103. Applicability of Tariffs

These tariffs are applicable in all geographical areas, in which the Cooperative provides service, except as precluded by law. These tariffs supersede and annul all prior tariffs including service rules and regulations by whatever term designated which may theretofore have been used in the supplying and taking of Cooperative's electric service.

104. Severability

If any provision of this tariff is held invalid, such invalidity shall not affect other provisions or applications of this tariff which can be given effect without the invalid provision or application, and to this end the provisions of these tariffs are declared to be severable.

105. Modification of Tariffs

This tariff may be changed, modified or abrogated, in whole or in part, by any regulatory authority having jurisdiction thereof, whether or not at the request of the Cooperative, a Member or otherwise. Any change shall be applicable to service provided from and after the effective date of such change.

ELECTRIC TARIFFS

Section I – Utility Operations

106. No Waiver

The failure of the Cooperative to enforce any of the provisions of this tariff shall not be considered a waiver of its right to do so.

ELECTRIC TARIFFS

Section II – Rates and Charges

201. Rate Classification and Assignment

Rate classification and assignment shall be made by the Cooperative in accordance with the availability and type of service provisions in its rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. If a Member's request for electric service involves unusual circumstances, usage or load characteristics not regularly encountered by the Cooperative, the Cooperative may assign a suitable rate classification or enter into a special contract. Any special contract shall be filed with the regulatory authority having jurisdiction thereof.

202. Rate Schedules

202.1 General Service-Rate 01

A. Availability

Available to all Customers having less than 50 kVA of installed transformer capacity subject to the established rules and regulations of the Cooperative.

B. <u>Character of Service</u>

Single-phase at available secondary voltages, 60 cycle, alternating current.

C. Monthly Rates

Each billing period the Customer shall be obligated to pay the following charges:

(1) <u>Customer Charge</u>:

Single-Phase Service @ \$15.00 per meter This charge is for the availability of electric service;

and

(2) <u>Energy Charge</u> @

\$ 0.0807 per kilowatt-hour (kWh)

D. <u>Minimum Monthly Charge</u>

The customer charge applicable to this rate.

ELECTRIC TARIFFS

Section II – Rates and Charges

E. Billing Adjustments

This rate is subject to all billing adjustments.

202.1.1 General Service-Rate PP - Prepay

A. <u>Availability</u>

Available to all Customers having less than 50 kVA of installed transformer capacity subject to the established rules and regulations of the Cooperative.

B. Character of Service

Single-phase at available secondary voltages, 60 cycle, alternating current.

C. Monthly Rates

Each billing period the Customer shall be obligated to pay the following charges:

(1) Customer Charge:

Single-Phase Service @ \$17.50 per meter This charge is for the availability of electric service;

and

(2) <u>Energy Charge</u> @

\$ 0.0807 per kWh

D. <u>Minimum Monthly Charge</u>

The customer charge applicable to this rate.

E. <u>Billing Adjustments</u>

This rate is subject to all billing adjustments.

ELECTRIC TARIFFS

Section II – Rates and Charges

202.2 General Service Large-Rate 02

A. Availability

Available to general service usage of 50 kVA of installed transformer capacity or more, subject to the established rules and regulations of the Cooperative.

B. Character of Service

Single-phase and three-phase at available secondary voltages, 60 cycles, alternating current.

C. Monthly Rates

Each billing period the Customer shall be obligated to pay the following charges:

(1) <u>Customer Charge:</u> \$50.00 per meter This charge is for the availability of electric service;

(2) Demand Charge: \$3.82 per kW of billing demand

and

This charge for the rate at which energy is used is applied to the greater of the following:

- a. The maximum kilowatt demand for any period of fifteen (15) consecutive minutes during the billing period, as adjusted for power factor.
- b. Seventy-five percent (75%) of the highest kW demand, as adjusted for power factor, established in the eleven (11) months preceding the billing period, for all non-residential customers excluding Schools and Churches.

and

(3) <u>Energy Charge:</u>

First 200 kWh per billing kW@ \$0.0722 per kWh Next 200 kWh per billing kW@ \$0.0491 per kWh Over 400 kWh per billing kW@ \$0.0327 per kWh

The charges for the delivery of energy shall be applied to kWh usage during each billing period.

ELECTRIC TARIFFS

Section II – Rates and Charges

D. Minimum Charge

Each billing period the Customer shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

- (1) Customer Charge
- (2) Demand Charge

E. <u>Billing Adjustments</u>

This rate is subject to all billing adjustments.

F. Delivery Point

Unless otherwise specified in the service contract, the delivery point shall be the metering point when service is furnished at secondary voltage, or the point of attachment of the Cooperative's primary line to the Customer's primary facilities if service is furnished at primary line voltage. All wiring, pole lines, and other equipment (except metering equipment) on the load side of the delivery point shall be owned and maintained by the Customer.

G. <u>Temporary Service</u>

Temporary service shall be in accordance with the applicable rate schedule for the class of service. In addition, the Customer shall pay the total cost of connecting and disconnecting service less the value of materials returned to stock. An advance deposit may be required of the full amount of the estimated bill for service including the cost of connection and disconnection.

ELECTRIC TARIFFS

Section II – Rates and Charges

202.3 General Service – Rate 04

A. Availability

Available to all Customers having less than 50 kVA of installed transformer capacity subject to the established rules and regulations of the Cooperative.

B. Character of Service

Three-Phase at available secondary voltages, 60 cycle, alternating current.

C. Monthly Rates

Each billing period the Customer shall be obligated to pay the following charges:

(1) <u>Customer Charge</u>:

Three-Phase Service @ \$25.00 per meter This charge is for the availability of electric service

and

(2) Energy Charge @ \$ 0.0807 per kWh

D. <u>Minimum Monthly Charge</u>

The customer charge applicable to this rate.

E. Billing Adjustments

This rate is subject to all other billing adjustments.

202.3.1 Wind Farm – Standby and Auxiliary Delivery Service

A. Application

Applicable to delivery service for Wind Farms. Service will be furnished under this rate schedule subject to the established rules and regulations of the Cooperative covering this type of service, including all applicable billing adjustments.

B. Type of Service

Wholesale Delivery Point service.

ELECTRIC TARIFFS

Section II – Rates and Charges

C. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges:

(1) <u>Basic Charge</u>:

\$125.00 per meter

- (2) NCP Demand Charge: \$1.00 per NCP Billing kW
 The non-coincident peak (NCP) billing demand shall be the highest of the following:
 - (a) The maximum kilowatt demand for any period of 15 consecutive minutes during the billing period, as adjusted for power factor,
 - (b) The maximum NCP kW including applicable power factor adjustment established in the previous eleven (11) billing periods.
 - (c) The amount specified in the Agreement for Electric Service between the Customer and the Cooperative.
 - (d) 1000 kW.

(3) Power Supply

The cost of power to serve the Customer including but not limited to capacity, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the applicable Wholesale rate to the Cooperative including any ratchet provisions in the wholesale rate. The Customer's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Customer's power cost at the wholesale supplier's metering point to the Cooperative.

ELECTRIC TARIFFS

Section II – Rates and Charges

D. Minimum Charge

The minimum monthly charge shall be the greater of the amount as set forth in the applicable contract for electric service or the Basic Charge plus NCP Demand Charge.

E. Power Factor Adjustment

Should Customer's lagging power factor at the time of the maximum demand during the month be determined to be below ninety-eight percent (98%), the Customer's maximum demand for billing purposes shall be adjusted by multiplying the maximum demand by .98 and dividing by the lagging power factor at the time of such maximum demand.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments.

G. Agreement

An agreement for electric service with a fixed term may be required by the Cooperative for customers who require line extension to establish electric service. This rate schedule may be changed by the Cooperative's board of directors and service hereunder is subject to the Cooperative's tariff for electric service.

202.3.2 <u>General Service Large – Special Contract Rate</u> <u>LCRA/Corix Raw Water Intake Service</u>

A. <u>Application</u>

Applicable to delivery service for LCRA/Corix Raw Water Intake Service will be furnished under this rate schedule subject to the established rules and regulations of the Cooperative covering this type of service, including all applicable billing adjustments.

B. <u>Type of Service</u>

Wholesale Delivery Point service (Secondary Voltage Level)

ELECTRIC TARIFFS

Section II – Rates and Charges

C. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges:

(1) <u>Customer Charge</u>:

\$1000.00 per meter

(2) <u>Power Supply</u>

The cost of power to serve the Customer including but not limited to capacity, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the applicable Wholesale rate to the Cooperative including any ratchet provisions in the wholesale rate. The Customer's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Customer's power cost at the wholesale supplier's metering point to the Cooperative.

D. <u>Minimum Charge</u>

The minimum monthly charge under the above rate shall be set forth in the applicable contract for service, but not less than the applicable customer charge.

E. Power Factor Adjustment

Should Customer's lagging power factor at the time of the maximum demand during the month be determined to be below ninety percent (90%), the Customer's maximum demand for billing purposes may be adjusted by multiplying the maximum demand by .90 and dividing by the lagging power factor at the time of such maximum demand.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments.

ELECTRIC TARIFFS

Section II – Rates and Charges

G. Agreement

An agreement for electric service with a fixed term may be required by the Cooperative for customers who require line extension to establish electric service. This rate schedule may be changed by the Cooperative's board of directors and service hereunder is subject to the Cooperative's tariff for electric service.

202.3.3 <u>General Service Large – Special Contract Rate</u> Black Rock Quarry

A. <u>Application</u>

Applicable to delivery service for the Black Rock Quarry. Service will be furnished under this rate schedule subject to the established rules and regulations of the Cooperative covering this type of service, including all applicable billing adjustments.

B. Type of Service

Wholesale Delivery Point service (Primary Voltage Level)

C. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges:

(1) Customer Charge:

\$1450.00 per meter

(2) Power Supply

The cost of power to serve the Customer including but not limited to capacity, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the applicable Wholesale rate to the Cooperative including any ratchet provisions in the wholesale rate. The Customer's billing units for power cost may be adjusted for line losses, as determined by the

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Cooperative, to calculate the Customer's power cost at the wholesale supplier's metering point to the Cooperative.

D. Minimum Charge

The minimum monthly charge under the above rate shall be set forth in the applicable contract for service, but not less than the applicable customer charge.

E. Power Factor Adjustment

Should Customer's lagging power factor at the time of the maximum demand during the month be determined to be below ninety percent (90%), the Customer's maximum demand for billing purposes may be adjusted by multiplying the maximum demand by .90 and dividing by the lagging power factor at the time of such maximum demand.

F. Billing Adjustments

This rate is subject to all applicable billing adjustments.

G. Agreement

An agreement for electric service with a fixed term may be required by the Cooperative for customers who require line extension to establish electric service. This rate schedule may be changed by the Cooperative's board of directors and service hereunder is subject to the Cooperative's tariff for electric service.

202.4 <u>Outdoor Lighting</u>

A. Availability

Available to the Customers of the Cooperative for dusk-to-dawn lighting.

B. Character of Service

Single-phase at available secondary voltages, 60 cycles, alternating current.

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C. Monthly Rates

48-Watt LED	\$ 8.50 per lamp
175-Watt Mercury Vapor Lamp	\$ 8.50 per lamp
150-Watt High Pressure Sodium Decorative	\$13.00 per lamp
400-Watt High Pressure Sodium	\$19.50 per lamp

D. <u>Billing Adjustments</u>

This rate is subject to all applicable billing adjustments.

E. kWh Use

For the purpose of computing billing adjustments, the estimated energy use per month per lighting unit shall be computed as follows:

48-Watt LED	@ 18kWh
150-Watt High Pressure Sodium Decorative	@ 75kWh
175-Watt Mercury Vapor	@ 75kWh
400-Watt High Pressure Sodium	@175kWh

F. Conditions of Service

All outdoor lighting equipment shall be owned, maintained and operated by the Cooperative. Replacement of lamps shall be made during normal working hours.

203. Billing Adjustments

The Cooperative shall adjust all bills in accordance with the following adjustments, if applicable.

203.1 <u>Power Cost Recovery Factor (PCRF) for All Rates</u>

The monthly charges shall be increased or decreased on a uniform perkWh basis computed monthly as follows.

$$PCRF = \frac{(A-B + or -C)}{kWhs}$$

Where:

PCRF = Power Cost Recovery Factor (expressed in \$ per kWh) to be applied to all energy sales for the billing period.

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Α = Total estimated purchased electricity cost from all suppliers, including fuel, for the billing period.

В = Total estimated purchased electricity cost from all suppliers, including fuel, which are included in the Cooperative's base rates. The base power cost is computed by multiplying the kWhs sold during the applicable billing period by \$ 0.051859 per kWhs.

kWhs =Total estimated energy sales for billing period.

 \mathbf{C} Adjustment to be applied to the current monthly billing to account for differences in actual purchased electricity costs and actual PCRF revenues recovered in prior periods (i.e. cumulative under or over collections).

203.2 Sales Tax and Other Taxes and Charges

All bills may be adjusted by the amount of all or any portion of any sales tax or other tax or charge imposed by a municipal authority or other governmental authority and attributable to the sale of electric service to the Member unless Member has previously provided to the Cooperative satisfactory proof of exemption.

203.3 Meter Error Adjustment

If a meter is found to be outside the accuracy standards established by the American National Standards Institute, Incorporated, proper corrections shall be made of previous readings for the period of six (6) months immediately preceding the removal of such meter from service for test, or Zfrom the time the meter was in service since last tested, but not exceeding six (6) months, as the meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Cooperative except to the Member last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the Cooperative shall determine a charge for units used, but not metered, for a period not to exceed three (3) months based on amounts preceding or subsequent thereto, or during corresponding periods

in previous years.

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203.4 Over Billing and Under Billing

If billings for electric service are found to differ from the Cooperative's lawful rates for the service being purchased by the Member, or if the Cooperative fails to bill the Member for such service, a billing adjustment shall be calculated by the Cooperative. If the Member is due a refund, an adjustment shall be made for the entire period of the overcharge(s). If an overcharge is adjusted by the Cooperative within three (3) billing cycles of the bill in error, interest shall not accrue. Unless otherwise provided, if an overcharge is not adjusted by the Cooperative within three (3) billing cycles of the bill in error, interest shall be applied to the amount of the overcharge at an annual rate set by the Cooperative board of directors. Interest on overcharges that are not adjusted by the Cooperative within three (3) billing cycles of the bill in error shall accrue from the date of payment unless the Cooperative chooses to provide interest to all of its affected Members from the date of the bill in error. All interest shall be compounded annually. Interest shall not apply to leveling plans or estimated billings that are authorized by statute rule. Interest shall not apply to undercharged amounts unless such amounts are found to be the result of meter tampering, bypass, or diversions by the Member. Interest on undercharged amounts shall also be compounded on an annual basis and shall accrue from the date the Member is found to have first tampered, bypassed or diverted. If the Member is undercharged, the Cooperative may back bill the Member for the amount which was under billed. The back billing is not to exceed six (6) months unless the Cooperative can produce records to identify and justify the additional amount of back billing or unless such undercharge is a result of meter tampering, bypass, or diversion by the Member. However, the Cooperative may not disconnect service if the Member fails to pay charges arising from an under billing more than six (6) months prior to the date the Cooperative initially notified the Member of the amount of the undercharge and the total additional amount due unless such undercharge is a result of meter tampering, bypassing, or diversion by the Member. If the under billing is \$25 or more, the Cooperative shall offer the Member a deferred payment plan option for the same length of time as that of the under billing. In cases of meter tampering, bypass or diversion, the Cooperative may, but is not required to, offer a Member a deferred payment plan.

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203.5 Power Factor Adjustment

Demand may be adjusted if the power factor is lower than ninety percent (90%). Measured demand may be increased by one percent (1%) for each one percent (1%) by which the power factor is less than ninety percent (90%) lagging for a period of fifteen (15) consecutive minutes. This adjustment shall not be applied on loads of less than 50 kW.

204. Service Fees

Trip Fee

Except as provided in these rules, the Cooperative may charge \$40.00 for each trip to a Member's premises which is required by the Member or which is reasonably necessary under these rules or under standard operating practice.

If a trip to a Member's premises is made outside of the Cooperative's normal working hours, the Member may be charged \$120.00.

No charge will be assessed to investigate an outage or service irregularity. A charge may be assessed if the outage or service irregularity is caused by the Member or Member's installation or equipment.

204.2 Collection/Disconnection of Delinquent Account Fee

The Cooperative will charge a \$40.00 fee to collect and/or disconnect a delinquent account.

204.3 <u>Membership Fee</u>

Each Applicant will be charged a membership fee of \$10.00.

204.4 Connect Fee

The Cooperative will charge a \$25 connect fee to initiate service to any existing meter.

204.5 <u>Returned Check Fee</u>

The Cooperative will charge \$25.00 for each check or other form of payment which is dishonored or returned to the Cooperative. Any Member having a check or other form of payment dishonored two (2) or more

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times in a twelve (12) month period may be required to pay by cash, money order, or certified check.

204.6 Meter Test Fee

No charge will be made for a meter test except as provided in this rule. If the Member's meter has been tested at the Member's request and within a period of four (4) years the Member requests a new test, the Cooperative will make the test, but, if the meter is found to be within the accuracy standards established by the American National Standards Institute, Inc., the Cooperative may charge the Member a fee which reflects the cost to test the meter. However, this charge will not be more than \$40.00 for a residential Member.

204.7 Outdoor Lighting Fees

The Cooperative will charge a \$100.00 fee to connect an existing security light which is not in operation.

The Cooperative will charge \$280.00 to install a 48-Watt LED security light on an existing pole.

The Cooperative will charge \$1,170.00 to install a 48-Watt LED security light with a pole.

The Cooperative will charge a \$185.00 fee to relocate a 48-Watt LED security light on the Member's premises provided a Cooperative utility pole exists.

The Cooperative will charge \$325.00 to install a 400-Watt HPS security light on an existing pole.

The Cooperative will charge \$1,215.00 to install a 400-Watt HPS security light with a pole.

The Cooperative will charge a \$325.00 fee to relocate a 400-Watt HPS security light on the Member's premises provided a Cooperative utility pole exists.

The Cooperative will charge a \$700.00 fee for installing a transformer for a security light installation at a Member's location.

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204.8 Secondary Lightning Arrestor Installation Fee

The Cooperative will charge a \$125.00 fee to install a secondary lightning arrestor.

204.9 Previous Month Late Fee

Members who fail to pay by the due date each month may be subject to a previous month late fee. This fee will be the greater amount of 5% of the total past due amount or \$5.00. This fee will be charged on the following month's statement.

204.10 Meter Tampering Fee

The Cooperative will impose a \$250.00 meter tampering fee on any Member caught tampering with the Cooperative's metering equipment. The Member will also be charged for all labor for investigating and reporting the tampering to authorities, as well as administrative labor. In addition, the Member will be billed for all damaged equipment and the estimated power diverted by the Member. All monies owed to the Cooperative must be paid before the meter will be reconnected.

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301. Application for Electric Service

301.1 Application Required

Any person desiring to receive electric service from the Cooperative shall apply for such service by properly completing and signing an Agreement for Electric Service, the form of which is contained in these tariffs. A separate Agreement for Electric Service is required for each location where delivery of electric energy is desired, whether or not for initiation or renewal of service or otherwise. An Agreement for Electric Service is filed when it is received by an appropriate Cooperative employee at any office of the Cooperative.

The Agreement for Electric Service must be in the true name of the person desiring to receive electric service. The Cooperative may require suitable identification and such other information as may be reasonably necessary to evaluate the application.

301.2 <u>Membership in the Cooperative</u>

If Applicant is not a Member of the Cooperative, Applicant shall properly complete, sign, and file an application for membership. The filing of an application for membership shall be accompanied by the payment of a \$10.00 membership fee. Only one membership fee is required per Member.

301.3 Offers to Purchase Electric Service

Upon compliance with the provisions of Sections (301.1) and (301.2), the Applicant has made an offer to purchase electric energy from the Cooperative, the terms of which are contained in the Agreement for Electric Service, these tariffs, any applicable easement and the Cooperative's bylaws.

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302. Credit Requirements and Deposits

302.1 Credit Requirements for Applicants

- A. Prior to connection of electrical services, Applicant will be required to pay a deposit for permanent residential service. However, Applicant can submit information enabling the Cooperative to review his/her credit history. If Applicant's credit history meets the Cooperative's standards of an acceptable rating, the deposit may be waived.
- B. The Cooperative may require an Applicant for service to establish and maintain satisfactory credit as a condition of providing service.
 - (1) Establishment of credit shall not relieve any Member from complying with the Cooperatives' requirements for prompt payment of bills.
 - (2) The credit worthiness of spouses established during shared service in the twelve (12) months prior to their divorce will be equally applied to both spouses for twelve (12) months immediately after their divorce.
- C. A residential Applicant who is sixty-five (65) years of age or older and does not have an outstanding account balance within the last two (2) years with the Cooperative or another electric utility for the same type of utility service will not be required to pay a deposit.
- D. If satisfactory credit cannot be demonstrated by the residential Applicant using these criteria, the Applicant may be required to pay a deposit pursuant to subsection 302.3 of this section.

302.2 <u>Security Deposit</u>

If Applicant's credit has not been demonstrated satisfactorily to the Cooperative, the Applicant may be required to pay a deposit prior to connection of service.

302.3 Amount of Deposit

The required deposit shall not exceed an amount equivalent to one-sixth $\binom{1}{6}$ of the estimated annual billings.

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302.4 <u>Deposits after Connection of Service</u>

A deposit may be required from a Member who satisfactorily established credit prior to connection of service if the Member:

- A. is disconnected for nonpayment
- B. is delinquent in the payment of his/her electric service bills more than two (2) times during a twelve (12) consecutive month period
- C. issues the Cooperative a check which is returned "insufficient funds"
- D. is found tampering with the Cooperative's meter and/or equipment.
- Deposit for Temporary or Seasonal Service and for Weekend Residences
 The Cooperative may require a deposit sufficient to protect it against the assumed risk for temporary or seasonal service or weekend residences, as long as the policy is applied in a uniform and nondiscriminatory manner. These deposits shall be returned according to guidelines set out in Subsection (302.10) of this section.

302.6 Additional Deposits

- A. An additional deposit may be required if:
 - (1) the average of the Member's actual billings for the last twelve (12) months are at least twice the amount of the original estimated annual billings used to calculate the Member's initial deposit;

and

- (2) a disconnection notice has been issued for the account within the previous twelve (12) months.
- B. The Cooperative may disconnect service if the additional deposit is not paid within ten (10) days of the request, provided a written disconnection notice has been issued to the Member. A disconnection notice may be issued concurrently with either the written request for the additional deposit or current usage payment.

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302.7 Interest on Deposits

The Cooperative shall pay interest on deposits at an annual rate set by the Cooperative board of directors. If a deposit is refunded within thirty (30) days of the date of deposit, no interest payment is required. If the Cooperative keeps the deposit more than thirty (30) days, payment of interest shall be made retroactive to the date of deposit.

- A. Payment of the interest to the Member shall be made annually, if requested by the Member or at the time the deposit is returned or credited to the Member's account.
- B. The deposit shall cease to draw interest on the date it is returned or credited to the Member's account.

302.8 Records of Deposits

- A. The Cooperative shall keep records to show:
 - (1) the name and address of each depositor,
 - (2) the amount and date of the deposit; and
 - (3) each transaction concerning the deposit.
- B. A record of each unclaimed deposit must be maintained for at least four (4) years.
- C. The Cooperative shall make a reasonable effort to return unclaimed deposits.

302.9 Refunding Deposits

A. If service is not connected, or is disconnected, the Cooperative shall promptly refund the Member's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premise to another within the service area of the Cooperative is not a disconnection, and no additional deposit may be required.

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B. When the Member has paid bills for service for twelve (12) consecutive residential billings or for twenty-four (24) consecutive non-residential billings without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent, and when the Member is not delinquent in the payment of the current bills, the Cooperative shall promptly refund the deposit plus accrued interest to the Member. If the Member does not meet these refund criteria, the deposit and interest may be retained.

302.10 <u>Re-establishment of Credit</u>

Every Applicant who previously has been a Member of the Cooperative and whose service has been disconnected for nonpayment of bills or theft of service (meter tampering or bypassing of meter) will be required, before service is reconnected, to pay all amounts due the Cooperative or execute a deferred payment agreement, if offered, and reestablish credit. The Cooperative must provide an itemization of the unpaid charges and of the charges being required as a condition of service restoration.

303. Cooperative Action on the Application

The Cooperative shall consider the offer to purchase electric service and act upon it within a reasonable time by either granting the application (conditionally, subject to these rules) or refusing service in accordance with this tariff.

303.1 <u>Granting Application</u>

The Cooperative may grant an application by:

A. Signature

Having its authorized officer or employee sign the Agreement for Electric Service on behalf of the Cooperative;

or

B. Initiating Service

Making electricity available at the Service Location.

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Refusal of Service

The Cooperative may refuse service if:

A. Credit

Applicant/Member has failed or refused to satisfactorily establish credit in accordance with the provisions of Section (302) of these rules;

or

B. Fulfillment of Conditions Precedent

If Applicant/Member has failed or refused within a reasonable time to fulfill any condition precedent to performance (see Section 304.2);

or

C. <u>Membership</u>

Applicant/Member has failed or refused to pay the membership fee or qualify for membership in the Cooperative in accordance with the provisions of law and the Articles of Incorporation and Bylaws of the Cooperative.

or

D. Hazardous Condition

If it has come to the Cooperative's attention the Member's installation or equipment is hazardous or of such character that satisfactory service cannot be given.

303.3 Insufficient Grounds for Refusal to Serve

The following shall not constitute sufficient cause for refusal of service to a present Member or Applicant;

- A. delinquency in payment for service by a previous occupant of the premises to be served;
- B. failure to pay for merchandise, or charges for non-utility services purchased from the Cooperative;
- C. failure to pay a bill to correct previous under billing due to misapplication of rates more than six (6) months prior to the date of application;
- D. violation of the Cooperative's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service

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of others, or other service such as communication services, unless the Member has first been notified and been afforded reasonable opportunity to comply with said rules;

E. failure to pay the bill of another Member at the same address except where the change of Member identity is made to avoid or evade payment of a utility bill. A Member may request a supervisory review if the Cooperative determines that evasion has occurred and refuses to provide service.

304. Contract of Service

The approval of an application shall be considered as an acceptance of Applicant's offer to purchase electric service.

304.1 Terms of Contract

The terms of the contract are the provisions of the Application for Electric Service (including this tariff) and any applicable easement.

304.2 <u>Conditions to be Fulfilled by Applicant or Member Prior to the Rendition of Service</u>

As conditions precedent to the performance or obligation to perform any part of the contract for electric service by the Cooperative or to provide electric service the Member shall:

A. Comply with the Law

Member warrants to the Cooperative that he or she has complied with all Federal, State, County, and municipal regulations governing the service applied for and shall remain in compliance. The Cooperative does not undertake to determine if Member is in compliance with the law and the provision of service shall not be construed as any indication of compliance; however, the Cooperative may require a copy of any approval required by law, ordinance or regulation prior to the provision of service.

B. <u>Comply with Service Rules</u>

Applicant/Member shall comply with the Service Rules and Regulations of the Cooperative governing the service applied for.

C. Member's Installation

Applicant/Member warrants to the Cooperative that Applicant's/Member's installation is constructed in accordance with the latest revision of the National Electrical Code published by the National Fire Protection

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Association and/or the latest revision of the National Electrical Safety Code published by the Institute of Electrical and Electronics Engineer, Inc., as may be applicable. Applicant/Member further warrants to the Cooperative that Applicant's/Member's installation will be maintained in accordance with such Code publications. The Cooperative does not undertake to determine if Applicant's/Member's installation complies with such standards and the provision of service shall not be construed as any indication of compliance; however, should it come to the attention of the Cooperative that Applicant's/Member's installation does not conform to such standards, Applicant/Member may be required to conform prior to the initiation of service or continuation of service.

D. Easement

Applicant/Member shall grant or secure to the Cooperative at Applicant/Member's expense an easement, the form and content of which is satisfactory to the Cooperative. The form of an acceptable utility easement is contained in Section IV – Forms of this tariff.

E. Construction Cost

Applicant/Member shall fulfill all obligations for the payment of construction charges in the manner prescribed in the service rules and regulations governing line extension.

304.3 Assignment of Contract

The Member shall not assign the Contract except by written consent of the Cooperative or in compliance with the Articles and Bylaws of the Cooperative. The Contract shall insure to the benefit of the Cooperative's assigns.

Modification by the Parties

The contract for electric service may be modified or terminated by the agreement of both the Cooperative and the Member only if such agreement is made in writing and signed by both parties.

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305. <u>Line Extension Policy</u>

305.1 <u>General Policy</u>

It shall be the policy of this Cooperative to extend electric service, within its service area, to all who desire electric service and agree to the terms of the Cooperative's electric tariffs and to abide by its bylaws. To keep the Cooperative's electric service rates as low as reasonably possible, the Applicant/Member is asked to pay for all charges for new construction and/or system improvements to extend service to the Applicant/Member. Extensions of electric service will hereafter be provided on the following terms and conditions.

- A. Applicants, who are not already members of the Cooperative, must complete an Application for Membership and Agreement for Electric Service.
- B. The Applicant shall specify his power requirements and the Cooperative shall have sole responsibility to determine the electric facilities necessary to meet the Applicant's requested power requirements. Based on information provided, the Cooperative will determine the service classification under which the application will be made.
- C. The Applicant shall sign the Construction Contract and pay all required charges prior to the Cooperative initiating construction of electric facilities.
- D. Applicants who cannot demonstrate financial responsibility will be required to furnish a \$400 security deposit.
- E. Applicants, who are not already members of the Cooperative, will be required to pay a membership fee of \$10.
- F. Applicants will be required to pay all other charges and fees as may be required by the Cooperative.

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305.2 General Requirements

The following requirements are applicable to each line extension regardless of the Applicant/Member's classification:

- A. Applicant shall comply with all provisions contained under *Section III-Part 1 Obtaining Electric Service*.
- B. Ownership of Distribution Facilities The Cooperative shall retain ownership of all material and facilities installed by the Cooperative for the extension of service to the Applicant/Member. The payment of any construction charges, deposits, or any other fees and/or charges shall not be deemed to authorize, grant, give, or vest any ownership rights to the Member as a result of the aforementioned payments.
- C. <u>Charge for Construction</u> The Applicant is required to pay the construction charge prior to the Cooperative initiating construction. Charges will be determined prior to construction and will be shown on the Construction Contract. All construction charges under this policy are nonrefundable except as specified in Tariff 305.2 D.
- D. Refunds A portion of the construction charge is available for refund to those Applicants/Members who meet the requirements for a Permanent Classification as defined in Tariff 305.3 A. Refunds must be requested in writing or by email by the Member within one year of signing the Construction Contract.
- E. <u>Standard Construction and Voltages</u> This policy pertains only to the Cooperative's standard overhead distribution construction and voltages. Requests for non-standard facilities, underground facilities, or non-standard voltages will be performed only after approval by the Cooperative's manager.
- F. <u>Standard of Construction</u> The type and character of construction and the capacity required for an extension of service shall be determined by the Cooperative.

The location of the origin of an extension and the route to be followed in the construction of an extension shall be determined solely by the

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Cooperative. The origin need not be at the point on the Cooperative's existing distribution facilities most proximate to the Applicant's premises, nor the route selected be the shortest distance between the origin and Applicant's requested point of delivery.

- G. <u>Installation of Member Disconnect/Over Current Protective Device</u> The Member shall be responsible for the installation and the costs of installation of the Member's over current protection box (often called a fuse box/breaker box). This device shall be installed in the immediate vicinity of the Cooperative's meter socket and shall be attached to the socket with a metallic nipple. The Cooperative shall not energize service to the Member until the protection device is installed.
- H. <u>Meter Loops</u> The Cooperative will decide whether the meter loop will be installed on a structure or on a pole, and the Applicant will pay in advance the applicable charges below:
 - (1) If the meter loop is to be installed on a structure, and does not extend above the roof, the Cooperative shall provide the socket, meter loop conductor, conduit, and weatherhead for a charge to the Applicant. Applicant shall be responsible for the installation of the socket, conduit and weatherhead on the structure, and Cooperative shall be responsible for the connection of the meter loop to the service.
 - If the weatherhead and conduit extend above the roof, the Applicant is responsible for furnishing the conduit.
 - (2) If the meter loop is to be installed on an existing pole, the Applicant shall pay charges for the Cooperative to install the meter loop. Cooperative shall be responsible for the connection of the meter loop to the transformer.

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I. <u>Underground Single Phase or Three Phase Primary and Secondary</u> Installations

(1) <u>Primary Service Extensions</u>

Underground Primary Service may be provided at the sole discretion of the Cooperative and in accordance with line extension policies contained herein.

(2) <u>Secondary Underground Service</u>

For qualifying permanent residential and permanent general service installations, the Cooperative will install the secondary pedestal, and meter base, which shall be located adjacent to the overhead transformer pole or padmount transformer. Applicant will be responsible for supplying the main disconnect breaker beneath the meter base and extending the underground service to the location to be served.

If the meter is to be located on a structure, Applicant shall be responsible for the installation of the socket and shall provide a ditch from the structure to the Cooperative's facilities. The Cooperative shall be responsible for installing the service in accordance with the line extension policies contained herein.

The charge for providing a secondary underground service will be included in the total charges for any request for service.

- (3) Applicant is responsible for digging the ditch in compliance with Cooperative requirements. Applicant is also responsible for covering the ditch after inspection by the Cooperative.
- J. <u>Right of Way</u> Applicant shall provide the Cooperative, at Applicant's cost, a thirty (30) foot cleared right of way, free of obstructions and obstacles.
- K. <u>Transformers</u> Applicant shall pay for the Cooperative to install the transformer.

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305.3 Service Classification

The Cooperative extends its distribution facilities to Applicants/Members under the service classifications listed below. Each classification describes the predominant type of electric service/use anticipated on the Applicant's/Member's premises and specifies conditions under which a line extension may be made.

For each location where electric service is desired, Applicant's/Member's classification involves an evaluation of the type of installation and its use. Applicant's/Member's classification shall be determined by the Cooperative. In the event that the classification assigned by the Cooperative is incorrect based upon Member's subsequent actual use of the installation, the Cooperative may alter Member's classification and apply the correct line extension classification, making appropriate adjustment to the Member's account or billing. Requests for reclassification must be made within one year of the Applicant signing the Construction Contract.

A. <u>Permanent Classifications</u> – The Cooperative will extend single-phase or three-phase service to Applicants under this classification if the Applicant's facilities and/or anticipated usage and consumption of electric energy and capacity comply with at least one of the following definitions:

(1) Permanent Residential Dwelling

A permanent residential dwelling must be a single-family dwelling completely constructed on site and meets the following criteria:

- (a) Constructed on or permanently affixed to a concrete slab or an approved pier and beam foundation, and
- (b) Connected to a permanent approved water system and a permanent approved septic system. Water wells meet the requirements of an approved water system.

Qualifying Applicants in this classification shall receive a credit of \$1,500 towards the construction charge.

Note: Multi-family and/or rental units do not qualify.

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(2) <u>Permanent Modular Residential Dwelling</u>

A manufactured/modular residential dwelling must be a single-family dwelling that meets the following criteria:

- (a) Be impractical to move, such as having had the wheels, axles, hitches and/or towing devices permanently removed, and
- (b) Connected to a permanent approved water system and a permanent approved septic system. Water wells meet the requirements of an approved water system.

Qualifying Applicants in this classification shall receive a credit of \$1,500 towards the construction charge.

Note: Multi-family and/or rental units do not qualify.

(3) Permanent Non-Residential Facilities

A permanent non-residential facility shall include:

- (a) Commercial and industrial facilities such as retail businesses, restaurants, manufacturing facilities, and repair shops, where service is to a permanent facility.
- (b) Public buildings such as schools, churches, and governmentally owned and operated facilities such as post offices, retention centers, and other public service facilities.
- (c) Permanent, commercial agricultural uses such as irrigation wells and systems, where the Cooperative's electric service is the sole source of energy for the entire system, service to stock wells, grain driers, elevators and other facilities where the facility is directly used in a commercial agricultural application.
- (d) Multi-family and/or rental units.

In addition to meeting the aforementioned requirements, an Applicant seeking service under the permanent classification must meet the

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Cooperative's estimated electric usage requirements sufficient to eliminate the likelihood of stranded costs associated with electric facilities placed into service which are not adequately utilized.

Line extensions and/or system improvements which are required to extend service to Applicants in these classifications shall be performed only if the Applicant pays, in advance, a construction charge for the new construction and/or system improvements. This construction charge shall be paid by the Applicant before the Cooperative initiates construction.

The Cooperative shall have the right to require that a Member pay to the Cooperative any construction charge which was waived or refunded by the Cooperative if at any time the Member's facility does not comply with permanent requirements. The Cooperative may also discontinue service to any Member who fails to pay the construction charge upon request by the Cooperative.

- B. <u>Indeterminate and Other Classification</u> Applicants under this classification include:
 - (1) Facilities which do not meet the criteria for placement under any of the other listed classifications.
 - (2) Seasonal facilities, such as hunting camps, fishing camps, baseball fields, parks, and other types of recreational areas.
 - (3) All facilities involved in the production, handling, and/or processing of oil or natural gas, such as oil wells, tank batteries, compression plants, saltwater wells, injection wells, cathodic protection units, or rectifiers.
 - (4) Any facility where the usage of electric energy is estimated to be not sufficient to eliminate stranded costs associated with electric facilities placed into service which are not adequately utilized.

If the estimated cost of construction is greater than \$15,000, the Charge for Construction will include the estimated cost of construction plus a 50% system impact fee which is necessary to mitigate potential stranded costs

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associated with electric facilities placed into service which are not adequately utilized.

Line extensions and/or system improvements in this classification shall be performed only if the Applicant pays, in advance, charges for the new construction and/or system improvements.

If, in the Cooperative's opinion, the means in which the facility is used justifies reclassification from Indeterminate to Permanent, then the Cooperative shall refund to the original Applicant any construction charge for which the Applicant would have been eligible at the time of the original extension of service, provided the Member makes a request for reclassification within one year of the original extension of service.

- C. <u>Rural Land Development Classification</u> The Cooperative will extend electric distribution facilities to rural developments under the following conditions:
 - (1) The developer shall make application to the Cooperative requesting the extension of service.
 - (2) The developer must furnish the Cooperative with a plat of the development showing boundaries of all parcels of land, roads and all other information required by the Cooperative.
 - (3) HCEC will conduct an initial study to determine the necessary construction and/or system upgrades needed to serve the Development, including phase of lines, ROW, and ease of maintenance. The decision to upgrade or to install a specific phase of line is at the sole discretion of HCEC.
 - (4) The Cooperative shall determine the most feasible routing of all distribution lines within the development consistent with the Cooperative's operating maintenance practices and procedures.
 - (5) Roads throughout the development must be established before any staking or construction activities are performed by the Cooperative.

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- (6) Charges for staking are nonrefundable and must be paid in advance of any staking activities.
- (7) If the estimated cost of construction is greater than \$15,000, the Charge for Construction will include the estimated cost of construction plus a 50% system impact fee which is necessary to mitigate potential stranded costs associated with electric facilities placed into service which are not adequately utilized.
- (8) Charges for construction of lines and system improvements are nonrefundable and must be paid before the Cooperative begins construction/system improvements.
- (9) All required easements must be obtained by the developer or the Cooperative before the Cooperative begins construction. The Cooperative shall have sole authority as to which party is responsible for obtaining easements.
- (10) The construction of additional electric distribution facilities required to serve individual prospective Members within the development will be managed under separate applications/agreements.

D. <u>Temporary Classification</u>

The temporary classification includes service to Applicants where the expected period of usage is twenty-four (24) months or less, such as service to construction sites, rock crushers and quarry activities, construction storage facilities, recreational vehicles, travel trailers, temporary dwellings of any type, and other similar activities or facilities.

If the estimated cost of construction is greater than \$15,000, the Charge for Construction will include the estimated cost of construction plus a 50% system impact fee which is necessary to mitigate potential stranded costs associated with electric facilities placed into service which are not adequately utilized.

The Cooperative shall extend service to Applicants under this classification only if the Applicant pays a nonrefundable charge for

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construction. Construction charges shall be paid by the Applicant before the Cooperative initiates construction.

E. Security Lighting Classification

The security lighting classification consists of service to individual 48 Watt LED and 400 Watt HPS lighting fixtures. Service will be provided to individual lighting facilities at permanent locations under the following conditions:

- (1) <u>Fixture location on existing pole</u> If the installation of the fixture is on an existing Cooperative pole, and if 120-volt service is available on the existing pole or the immediately adjacent pole, the Member will be required to pay a fee for the lighting fixture, wiring, and connections, photoelectric cell, and any additional modifications required to the existing pole.
- (2) <u>Fixture location on new pole</u> If the Member requires or requests the installation of a fixture at a location where the Cooperative does not have an existing pole, then the Member shall pay a charge for the extension of primary service from the Cooperative's existing facilities to the location specified by the Member.

The Member will be required to pay a charge for the lighting fixture, wiring and connections of the fixture, and photoelectric cell.

- (3) Relocation of lighting fixture If a Member requests a relocation of a fixture from an existing pole to another existing pole, then the Member shall pay a charge for removal and relocation.
- (4) <u>Transformer installation</u> If the Cooperative must install a transformer to provide 120-volt service to a security light, the Applicant shall pay a charge for the transformer.

F. Subdivision Development Classification

The subdivision development classification consists of the extension of service to new residential subdivision developments where 20 or more permanent residential Members will ultimately receive service from the Cooperative. This classification excludes multi-family units and rental

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units. The Cooperative will perform new construction and/or system improvements to extend service to a residential subdivision under the following conditions:

- (1) The developer shall make application to the Cooperative requesting the extension of service.
- (2) The developer shall provide to the Cooperative a recorded plat of the subdivision or development showing all boundaries, lots, dedicated streets and alleys, utility accesses, easements, covenants, restrictions, estimated number and type of potential Members, future development potential and any other pertinent information that may be required by the Cooperative. The size of each residential lot shall not exceed ½ (one-half) acre, and there must be at least 20 lots to be considered a subdivision. Subdivisions with lot sizes that exceed ½ (one-half) acre and not more than 5 (five) acres may be approved by Management if, in addition to meeting all other requirements listed in this section 305.3 F., the additional requirements below are also met:
 - a. Roads throughout the development must be paved with asphalt (black top). Caliche and/or any rock material that is subject to wash will not be accepted.
 - b. The development must be platted with the county and/or counties where the development is located.
 - c. If city, municipal and/or community water is available, it must be installed throughout the development giving each individual property owner availability to water. Septic and sewer systems must be installed in accordance with county requirements.
 - d. If Management grants approval for the subdivision designation, the partial pro rata refund per lot described in item (7) below will not be granted to the developer. The potential refund/waiver will instead fall under HCEC's Line Extension Policy regarding single family residential dwellings within the development.

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- (3) The developer shall provide dedicated easements satisfactory to the Cooperative along streets and/or roads within the development.
- (4) The Cooperative will conduct an initial study to determine the necessary construction and/or system upgrades needed to serve the subdivision, including phase of lines.
- (5) The Cooperative shall determine the most feasible routing of all distribution lines within the subdivision development consistent with the Cooperative's operating and maintenance practices and procedures.
- (6) The Cooperative shall not provide "back lot" type service within the subdivision. All the Cooperative's facilities shall be readily and easily accessible from roads and streets within the subdivision.
- (7) A developer may be required to pay, in advance, a construction charge for line construction and/or system improvements, excluding meters and services. The developer may receive a partial pro rata refund of the original construction charge, not to exceed \$1,500.00 per lot, for each permanent residential Member within the subdivision who requests and receives service from the Cooperative within five (5) years of the completion date of the facilities constructed by the Cooperative to serve the residential subdivision development.

Additionally, the developer shall not receive a cumulative pro rata refund which exceeds the total construction charge paid by the developer, nor shall the developer receive individual pro rata refunds which exceed the average cost per lot, not to exceed \$1,500.00, calculated by dividing the construction charge paid by the developer by the number of lots in the development.

The reimbursement shall not be applicable for extensions of service to any type of customer classification other than permanent residential dwellings, and shall not be applicable for extensions of service after five (5) years from the date the construction charge is

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received from the developer for the Cooperative to serve the residential subdivision development.

G. Relocation of Cooperative Facilities

When any person requests that the Cooperative relocate its facilities, or if the relocation of the Cooperative's facilities is necessary due to the acts or lack of action by any person, then the Cooperative will relocate its facilities provided:

- (1) The person provides easements acceptable to the Cooperative, or the Cooperative can acquire an acceptable easement, and
- (2) The person shall pay a nonrefundable charge for the construction, removal, relocation, and retirement of the Cooperative's facilities.

H. Special Circumstances

- (1) <u>Waiver of Construction Charges</u>. The Cooperative, upon recommendation of the General Manager, may waive a portion or all of the construction charges required under the Line Extension Policy if, in the General Manager's opinion any one or more of the following conditions are satisfied:
 - (a) The waiver of the construction charge is reasonable and necessary to attract the Applicant to the Cooperative's service area;
 - (b) The anticipated annual revenue from the Applicant justifies the Cooperative's investment;
 - (c) The construction required will facilitate service to other potential Applicants or improve service to existing Members; or
 - (d) The service to the Applicant will contribute economic development of the Cooperative's service area or will be beneficial to the Cooperative's membership.

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- (2) <u>Financing of Service Fees for Existing Members of Three or More Years</u>. The Cooperative, upon recommendation of the General Manager, may finance a portion or all of the construction charges required under the Line Extension Policy if, in the General Manager's opinion all of the following conditions are satisfied:
 - (a) As of the date of application for financing, the Member must have been an existing Member for at least three (3) consecutive years;
 - (b) The Member must have a credit rating acceptable to the Cooperative and not have been delinquent more than two (2) times during a twelve (12) month period on any payments owed to the Cooperative for electric service during the three (3) consecutive years prior to the application for financing;
 - (c) The line extension requested by the Member must be for an upgrade to the Member's existing facility receiving electric service from the Cooperative for a period of thirty-six (36) consecutive months prior to the application for financing;
 - (d) Such upgrade must provide an improvement to the Cooperative's distribution system, which will result in improvement in reliability for all Members on the line extension in question or will accommodate future growth in the Cooperative's service area;
 - (e) The construction charge for the line extension must exceed fifty-thousand dollars (\$50,000); and not exceed two hundred fifty thousand dollars (\$250,000);
 - (f) The Member requesting the line extension must post a surety bond in the form and amount required by the Cooperative.
 - (g) The Member executes a Construction Contract with the Cooperative, the form of which is attached in Section IV of this tariff, and a Promissory Note to the Cooperative for the

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total amount of construction charges financed, substantially in the form found in Section IV of this tariff;

- (h) The term for payment of the Promissory Note must not exceed ten (10) years; and
- (i) No laws, regulations, or contracted obligations, including but not limited to, existing loan contracts with the United States of America acting through the Administrator of the Rural Utility Service ("RUS"), National Rural Utilities Cooperative Finance Corporation ("CFC"), CoBank ACB ("CoBank"), and/or other secured party conflict with and/or prohibit Cooperative's ability to provide such financing.
- (3) Any other extensions of service to an Applicant involving circumstances not specifically described in this Line Extension Policy will require the approval of the General Manager.

306. Meters

306.1 Location and Installation of Meter

Meters and service switches in conjunction with the meter shall be installed in accordance with the latest revision of American National Standards Institute, Incorporated Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing and inspection, and where such activities will cause minimum interference and inconvenience to the Member. The Member shall provide, without cost to the Cooperative, at a suitable and easily accessible location: (1) sufficient and proper space for installation of meters and other apparatus of the Cooperative, (2) safety service switches when required and (3) an adequate anchor for service drops. All meters installed after the effective date of these rules shall be located as set forth herein, provided that, where installations are made to replace meters removed from service, this section shall not require any change in meter locations which were established prior to the effective date of these rules, unless the Cooperative finds that the old location is no longer safe or proper, or the Member desires that the location be changed. Where the meter location on the Member's premises is changed at the request of the Member, or due to alterations on

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Member's premises, the Member shall provide and have installed at his expense, all wiring and equipment necessary for relocating the meter.

306.2 Type of Meter and Ownership of Meter

The Cooperative shall provide, install, own, and maintain all meters necessary for the measurement of electric energy. Such meters shall be of a standard type which meets industry standards; however, special meters not conforming to such standards may be used for investigation or experimental purpose.

307. Point of Delivery

Member shall designate the location he or she desires to receive electric energy and shall provide service entrance conductors and main disconnect and/or other safety devices as required by the National Electrical Code.

The point of delivery of electric energy is the point where the Member's service entrance conductors are connected to the Cooperative's bottom lug terminals in the meter base.

Such point shall be outside the Member's installation or structure(s) at a location which will facilitate connection in accordance with the National Electrical Safety Code and standard operating practices of the Cooperative.

In special circumstances, the point of delivery may be located inside the Member's installation or structure or where the Member's service entrance conductors are connected to the Cooperative's conductors, if the Member makes a request which is approved by the manager of the Cooperative.

308. Initiation of Service

Electric service is provided to qualified Applicants in the Cooperative's certificated area who may have satisfactorily established credit and fulfilled all conditions precedent. Normally, as a service objective, the Cooperative attempts to make service available within the following guidelines:

- A. Within seven (7) working days if no line extension or new facilities are required.
- B. Within ninety (90) days for permanent residential service requiring a line extension.

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C. Extensions to other customer classes requiring line extensions may take longer than ninety (90) days.

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320. Electric Energy

320.1 <u>Delivery of Electric Energy</u>

If Applicant/Member has satisfied all conditions and performed all obligations contained in the foregoing service rules, the Cooperative shall provide electric energy to Member at the point of delivery. The Cooperative may limit the amount of electric energy furnished.

320.2 Characteristics of Electric Energy

A. Voltage

The Cooperative adopts the following standard voltages for distribution:

Single Phase	Three Phase
120/240	120/240
240/480	120/208
	240/480
	277/480

Insofar as practicable the Cooperative maintains its standard voltages within standards and operating specifications set forth by the Rural Development Utilities Program (USDA).

B. Frequency

The Cooperative's wholesale power supplier controls the frequency of current provided by the Cooperative. Generally, the Cooperative provides alternating current at a standard frequency of 60 cycles per second. Except for infrequent and unavoidable fluctuations, this standard is usually maintained within one-tenth (1/10) of a cycle per second.

321. Method of Providing Service

321.1 Overhead Service Drop

Electric service is generally available to Members throughout the Cooperative's service area from overhead distribution facilities. The Cooperative, however, may refuse to provide overhead service in any area where the Cooperative has or expects substantial investment in underground distribution facilities. To receive overhead service Members

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must install a suitable bracket for attachment of Cooperative conductors in compliance with the National Electrical Safety Code.

321.2 Underground Electric Service

Underground service is available as provided for in section 305.2 J..

321.3 <u>Mobile Home Parks</u>

In mobile home parks and similar installations, the Cooperative provides electric service through individual meters to each space for each consuming facility.

321.4 Apartments

Electric service is provided through individual meters for each living unit.

322. Continuity of Electric Service

322.1 Reasonable Diligence

The Cooperative uses reasonable diligence under standard utility practices to provide continuous and adequate service in accordance with the standard set forth in these rules.

322.2 Service Interruptions

Service interruptions may occur. The Cooperative shall make reasonable efforts to prevent service interruptions. When interruptions do occur, the Cooperative shall re-establish service as soon as practicable.

The Cooperative may interrupt service to provide necessary civil defense or other emergency service in the event of a national emergency or local disaster. The Cooperative may also interrupt service as necessary for maintenance, repairs, construction, moving of buildings or oversized objects, relocation, or changes of facilities, to prevent or alleviate an emergency which may disrupt operation of all or any portion of the Cooperative's system, to lessen or remove risk of harm to life or property, and to aid in the restoration of electric service.

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322.3 Service Irregularities

Irregularities in service such as voltage surges may occur. Member is responsible for installing and maintaining devices which protect his/her installation, equipment, and processes during periods of abnormal service conditions.

322.4 <u>Investigation of Service Interruptions and Irregularities</u>

The Cooperative makes reasonable investigation of service interruptions and irregularities reported by a Member. Such investigation normally terminates at the point of delivery. If standard service voltage exists at this point and the Cooperative's service facilities are in good condition the Member shall be so advised. The Cooperative shall not be obligated to inspect Member's conductors, installation, or equipment.

322.5 <u>Limitation of Liability for Service Interruption, Irregularity, and Force</u> Majeure

The Cooperative shall not be liable for either direct or consequential damages resulting from failure, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission, tribunal or governmental authority having jurisdiction. For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damage arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

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323. Member's Receipt and Use of Electric Energy

323.1 Receipt of Electric Energy

A. Exclusive Use

When electric service is available, Member shall purchase from the Cooperative all electric energy and service required to be used by Member from a single consuming installation.

Member may not connect his/her lines to another source of electric energy in a manner that may permit electric energy to flow into Cooperative's system from such source without a written agreement with the Cooperative.

B. Member's Installation

Member shall at all times maintain his/her installation in accordance with the latest revision of the National Electrical Code published by the National Fire Protection Association and/or The National Electrical and Electronics Engineers, Inc. as well as other applicable standards that may be imposed by law, ordinance or regulation.

C. Liability for Injury and Damages

Member assumes full responsibility for electric energy furnished to him/her at and past the Point of Delivery and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting there from, and damages to property occurring upon the premises of the Member arising from electric power and energy delivered by Cooperative except:

(1) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries (including death resulting there from) to Member or to employees of a Member or in the case of a residential Member, to all members of the household;

and

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- (2) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from:
 - (a) any negligence of Cooperative or its agent(s) independent of and unrelated to the maintenance of Cooperative's equipment or any condition on Member's premises

or

(b) the breach by Cooperative of any provision of any contract for electric energy, service, or facilities between Cooperative and Member.

323.2 Members Use of Electric Energy

A. Permitted Uses

Electric energy provided through Cooperative facilities shall be used by Member exclusively for the purpose or purposes specified in the availability clause of the rate schedule under which Member is receiving service and being billed.

B. Resale Prohibited

Member shall not resell electric energy unless specifically provided for in writing by the Cooperative.

C. Interstate Transmission of Electric Energy Prohibited

The Cooperative does not provide electric service to any Member's installation any part of which is located outside the State of Texas or is connected to any conductors, all or part of which are located outside the State of Texas. Member shall not transmit electric energy provided by the Cooperative outside the State of Texas.

D. <u>Uses Prohibited by Law</u>

Member shall not use electric energy for any unlawful purpose or in such a manner that it may endanger life or property.

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323.3 Member's Electrical Load

A. Load Balance

Cooperative requires Member to control the use of electric energy so that Cooperative's electrical load at the point of delivery is in reasonable balance.

B. Allowable Motor Starting Currents

The following motors may be started across-the-line if the starting current (which is the locked rotor current of the motor at nameplate voltage) does not exceed the limits given below:

Nominal		Maximum Locked
Nameplate Voltage	<u>Phase</u>	Rotor Current
-		
115-volts	single	50 amps
230-volts	single	200 amps
208, 230 or 460 volts	three	200 amps

Larger across-the-line starting currents than above may be permitted where Cooperative determines its facilities are adequate and the frequency of starts are such that other Member's service will not be adversely affected. Any motor starting devices are to be of a type approved by Cooperative and are to be provided and installed by Member.

C. <u>Intermittent Electrical Loads</u>

Applicants/Members requiring electric service to equipment such as spot and arc welding machines, X-ray machines, arc-furnaces, elevators, dredges, locomotives, shovels, feed grinders, etc., whose use of electricity is intermittent and subject to violent fluctuations, should make specific prior arrangements with Cooperative.

D. Equipment Necessary to Limit Adverse Effect

Cooperative may require Member to provide, at Member's expense, suitable apparatus to limit the effect of voltage fluctuations caused by electric equipment in Member's installation where Member is found to be

^{*} *Groups of motors starting simultaneously are classed as one motor.*

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operating electrical equipment which produces voltage fluctuations, interference or distorted wave forms which adversely affect electric service provided by Cooperative to other Members.

In lieu of requesting Member to install such suitable or special equipment limiting such adverse effect, Cooperative may, at its option, install at Member's cost, additional transformer capacity (which may or may not be dedicated solely to such member) or other equipment specially designed to reasonably limit such adverse effect.

E. <u>Voltage and Wave Forms Sensitive Equipment</u>

A Member planning the installation of electric equipment such as computers, communication equipment, electronic control devices, etc., whose performances may be adversely affected by voltage fluctuations and distorted 60 hertz wave forms are responsible for providing and installing the necessary facilities to limit these adverse effects.

F. Change in Member's Electrical Load

Member shall notify Cooperative a reasonable time in advance of any substantial change in Member's electrical load. The Cooperative may require information concerning the nature of the load and electric service requirements as well as the expected duration of the load.

If in the judgment of the Cooperative there is a change in any electric service requirement for which, under standard engineering practice, it would be desirable to construct additional facilities, then the Cooperative may charge a reasonable amount not to exceed the actual cost of such facilities together with the cost of any additional facilities required to be constructed by Cooperative's wholesale power supplier serving Member's load. The Cooperative may require the Member to execute a new contract for electric service specifying appropriate terms including the maximum load or aid to construction. If additional contribution is required but is not paid, the Cooperative may disconnect service in the manner specified in this Tariff for non-payment of bills.

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323.4 Power Factor

If the power factor of Member's load is less than ninety percent (90%), Cooperative may require Member to install appropriate equipment to maintain a power factor of at least ninety percent (90%), or at Cooperative's option, to reimburse Cooperative for cost of installing the necessary equipment prior to the point of service.

323.5 Access

Member will allow personnel authorized by Cooperative entrance to Member's premises at all reasonable hours to inspect, install, remove, or replace Cooperative's property; to read Cooperative's meter; and to perform other activities necessary to provide electric service, including tree trimming and tree removal where such trees in the opinion of Cooperative constitute a hazard to Cooperative personnel or facilities, or jeopardize the provision of continuous electric service. Refusal on the part of Member to provide reasonable access for the above purposes may, at Cooperative's option, be sufficient cause for discontinuance of service.

323.6 <u>Protection of Cooperative's Facilities on Member's Premises</u>

Member shall use reasonable diligence to protect Cooperative personnel and facilities on Member's premises.

In the event of loss of, or damage to, Cooperative facilities on Member's premises caused by or arising out of carelessness, neglect, or misuse by Member or unauthorized persons, Cooperative may require Member to reimburse the Cooperative the full cost of such damage.

324. Billing

The Member shall be obligated to pay for the total amount of charges for electric service shown on the Member's bill. Such charges shall be computed in accordance with the Cooperative's latest rate schedules applicable to the class or classes of service furnished to Member and these rules.

324.1 <u>Determining Usage of Electric Energy</u>

Usage of electric energy (expressed as kWh) is usually determined by a meter reading. Electric energy usage is measured at the metering point regardless of whether or not it is the same as the point of delivery.

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324.2 Meter Reading

The Cooperative uses meters with automated meter reading devices (AMR) for all accounts. Readings on AMR metered accounts are transmitted to the Cooperative's office electronically.

324.3 <u>Estimated Billings</u>

Usage as well as Demand may be estimated by the Cooperative where there is good reason for doing so, such as inclement weather, personnel shortage, etc. provided an actual meter reading is taken every three (3) months.

324.4 Meter Test and Accuracy Adjustment

Upon request of a Member and if he or she desires in the Member's presence or the presence of his or her authorized representative, the Cooperative shall make a test of the accuracy of Member's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the Member if he or she desires to observe the test. The test may be made on the Member's premises or at a test laboratory as determined by the Cooperative. Following completion of testing, the Cooperative shall promptly advise the Member of the date of removal of the meter, if removed, the date of the test, the results of the test, and who made the test.

324.5 <u>Minimum Charges</u>

The Member will pay a minimum bill in accordance with the applicable rate schedule irrespective of the amount of electricity consumed, even if one is consumed. The minimum charge shall be in addition to any fuel cost adjustment charges, power cost adjustment charges or other billing adjustments. All billing adjustments shall be billed in addition to and exclusive of the minimum charge.

324.6 Terms of Payment

Each bill for utility service(s), regardless of the nature of the service(s), is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Cooperative or at any agency authorized by the Cooperative to receive payment on or before the date

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such bill is due, the Member's account will be considered delinquent and subject to disconnection in accordance with these rules.

324.7 <u>Disputed Bills</u>

In the event of a dispute between a Member and the Cooperative regarding any bill for electric utility services, the Member shall be given an opportunity for a supervisory review by the utility. The Cooperative shall make such investigation as shall be required by the particular circumstances and report the results thereof to the Member.

If the Member's complaint is received prior to the issuance of a termination notice, the Member shall not be required to pay the disputed portion of the bill which exceeds the Member's average monthly usage at current rates pending the resolution of the dispute, but in no event more than sixty (60) days. For purposes of this rule only, the Member's average monthly usage at current rates shall be the average of the Member's gross utility service charges for the preceding 12-month period. When no previous usage history exists, consumption for calculating the average monthly usage shall be estimated based on usage levels of similar Members and under similar conditions.

If the Member's complaint is received after a termination notice has been issued, the Member may be requested to pay the amount in dispute until such time as the dispute is resolved.

In either case, if a meter test is required, the Member may be expected to pay the entire amount of his or her bill until the meter test results are received by the Cooperative.

324.8 <u>Deferred Payment Plan</u>

A deferred payment plan is any arrangement or agreement between the Cooperative and a Member in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. The Cooperative shall offer, upon request, a deferred payment plan to any residential member who has expressed an inability to pay all of his or her bill, provided that the Member has not been issued more than two (2) termination notices at any time during the preceding twelve (12) months.

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Every deferred payment plan entered into due to the Member's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the Member pays the current bill and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid. A payment of not more than one-third $\binom{1}{3}$ of the total deferred amount may be required as a reasonable amount under this paragraph.

For purpose of determining reasonableness under these rules, the following shall be considered:

- A. size of the delinquent account
- B. member's ability to pay
- C. member's payment history
- D. time that the debt has been outstanding
- E. reasons why debt has been outstanding
- F. any other relevant factors concerning the circumstances of the Member.

A deferred payment plan offered by the Cooperative, when reduced to writing, shall state, immediately preceding the space provided for the Member's signature and in boldface print at least two sizes larger than any other used thereon, that:

"If you are not satisfied with this contract, or if this agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the Cooperative immediately and do not sign this contract. If you do not contact the Cooperative, or if you sign this agreement, you give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement."

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A deferred payment plan may include a five (5) % penalty for late payment but not include a finance charge.

If a Member has not fulfilled the terms of a deferred payment plan, the Cooperative shall have the right to disconnect service. However, the Cooperative may not disconnect service until a disconnect notice has been issued to the Member indicating the Member has not met the terms of the plan. Such notice and disconnection shall conform with the disconnection rules in section (351) of this title (relating to Discontinuance of Service). Under such circumstances, the Cooperative may, but shall not be required to, offer subsequent negotiation of a deferred payment plan agreement prior to disconnection.

The Cooperative shall not refuse a Member participation in a deferred payment program on the basis of race, color, creed, sex or marital status.

A deferred payment plan may be made by visiting the Cooperative's business office or contacting the Cooperative by telephone. If the Member visits the Cooperative's business office, the Cooperative must provide the Member with a copy of the signed plan. If the agreement is made by telephone, the Cooperative shall send a copy of the plan to the Member.

If the Member's economic or financial circumstances change substantially during the time of the deferred payment plan, the Cooperative may renegotiate the deferred payment plan with the Member, considering the changed economic and financial circumstances of the Member.

The Cooperative is not required to enter into a deferred payment plan with any Member who is lacking sufficient credit or a satisfactory history of payment at their previous service location when that Member has had service from the present utility for not more than three (3) months.

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Section III – Service Rules and Regulations Part 2 – Electric Service

325. Member Relations

325.1 Available Information

A. <u>Facilities for Providing Electric Service</u>

At its business office, the Cooperative maintains and makes available to Applicants and others entitled to the information a current set of maps, plans, and records showing the location and areas served by the Cooperative.

B. Cost of Providing Service

Upon request for service by a residential Applicant or for a transfer of service by a residential Member, the Cooperative shall inform the Applicant or Member of the Cooperative's lowest-priced alternatives available at the Member's location.

C. Tariffs

At its business office, the Cooperative maintains and makes available for inspection a copy of its current tariffs including all rate schedules and rates relating to service. A copy of any applicable portion of the tariffs will be provided upon request. Notice of the availability of such tariffs is posted in the lobby of the Cooperative's headquarters in Hamilton, TX.

D. Meter Reading

All meters are read either electronically or by Cooperative personnel.

325.2 <u>Member Complaints</u>

Upon complaint to the Cooperative by a Member either at its office or by letter or telephone, the Cooperative shall promptly make a suitable investigation and advise the complainant of the results thereof.

In the event the complainant is dissatisfied with the Cooperative's report, the Cooperative advises the complainant of its supervisory review process.

The Cooperative shall keep a record of all complaints which shall show the name and address of the complaint, the date and the nature of the complaint and the adjustment or disposition thereof for a period of two (2) years subsequent to the final settlement of the complaint. Complaints with

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reference to rate or charges which require no further action by the Cooperative need not be recorded.

330. Distributed Generation

A. <u>Application</u>

Applicable to Distributed Generation smaller than 1 MW of connected generation connected in parallel operation to the Cooperative's electric distribution system and **in operation prior to March 1, 2021** in accordance with the Cooperative's service rules and regulations and the Cooperative's Distributed Generation Procedures and Guidelines Manual for Members (available on request).

This rate is not applicable to temporary, shared, or resale service. This rate is applicable to service supplied at one point of delivery and measured through one meter. The Cooperative does not provide shared or resale service.

B. Sales to Customer

Sales to a Distributed Generation Customer shall be consistent with the applicable retail rate schedule established by the Cooperative and in use by the Customer as if there were no Distributed Generation installation.

C. Purchases from a Customer- Facility 100 kW of connected generation and smaller For power produced in excess of on-site requirements, the Customer will be compensated by the retail purchase meter running in reverse (net metering). The Cooperative shall bill the Customer for the excess of energy supplied by the Cooperative over and above the energy supplied by the Customer during each billing period according to the Cooperative's applicable retail rate schedule. Net metering is defined as measuring the difference between the energy supplied by the Cooperative and the energy generated by the Customer's Distributed Generation facility and delivered to the Cooperative's electric distribution system over the operable time period.

When the energy supplied by the Customer exceeds the energy supplied by the Cooperative during a billing period, the monthly charge and/or minimum bill of the retail rate schedule shall be billed by the Cooperative and the excess energy shall be credited to the Customer's account at the Cooperative's avoided cost.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the

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Cooperative may, at its sole discretion, elect to purchase power from the Customer under the terms of this section.

D. <u>Purchases from a Customer – Facility Greater than 100 kW and less than 1 MW</u> of connected generation

Purchases from a Distributed Generation Customer will be at the Cooperative's avoided cost. The avoided cost may be calculated monthly.

Where both sales to the Customer and purchases from the Customer exist in a billing period, the Customer will be compensated by a bill credit at the avoided cost as noted above.

There shall be no "net metering" for Distributed Generation facilities larger than 100 kW of connected generation.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the Cooperative may, at its sole discretion, elect to purchase power from the Customer under the terms of this section.

E. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Over 100 kW and under 1 MW

@ \$40 per meter/month

F. Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible @ \$ 50 per meter/month

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional operation and maintenance expense caused by the Customer's facility.

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G. Data Access – Communications Link

In addition to all other charges in the Customer's tariff and this rider, the Customer will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion.

H. Contracts

An Interconnection Contract between the Customer and the Cooperative shall be required in all cases. For Customers greater than 100 kW of connected generation but less than 1 MW of connected generation where power is purchased from the Customer, a Purchased Power Contract between the Customer and the Cooperative shall be required. For Customers 1 MW of connected generation and larger where power is purchased from the Customer, a Purchased Power Contract between the Customer and the Cooperative's Power Supplier shall be required. (*Not covered by this tariff*)

I. Producer Relations

(1) Sales to Producer

Producer's rate class shall be designated by the Cooperative in accordance with the availability and the type of service provisions in its rate schedules for all service.

(2) Purchases from Producer

The Cooperative will pay the Producer for all power purchased at the following rates:

Capacity- No payment except by a separate firm power contract between the Producer and Cooperative.

Energy- The meter kWh output from the Producer will be purchased by the Cooperative on a per kWh basis at a rate determined by the following formula, where:

PP = Purchase Price per kWh to be paid to the producer.

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TEC	=	Cooperatives		Total Energy		Cost (EC * TkWh		Wh)
		per	month	of	purchase	based	upon	the
		Coo	perative's	s mo	st recent w	holesale	power	bill.

EC = Cooperative's Energy Cost per month of purchase based upon the Cooperative's most recent wholesale power bill.

TFC = Cooperative's Total Fuel Cost (FC * TkWh) per month of purchase based upon the Cooperative's most recent wholesale power bill.

FC = Cooperative's Fuel Cost per month of purchase based upon the Cooperative's most recent wholesale power bill.

T kWh = Cooperative's Total kWh purchased by the Cooperative from the Cooperative's wholesale supplier.

Formula:
$$PP = \frac{TEC + TFC}{TkWh}$$

In the event that the Producer exercises the option to sell power to the Cooperative, there will be, in addition to the minimum monthly bill requirements under the applicable service rate schedule(s), a customer service charge for metering and billing or as may be set by the Board of Directors and appended to this Tariff.

J. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Customer Charge

Over 100 kW and under 1 MW @ \$ 40 per meter/month

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Section III – Service Rules and Regulations Part 2 – Electric Service

K. Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible

@ \$50 per meter/month

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional operation and maintenance expense caused by the Customer's facility.

L. Refusal to Purchase

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all the output of the Producer's DG Facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer's DG Facility on the Cooperative's system, or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Distributive Generation.

330-A. Distributed Generation

A. Application

Applicable to Distributed Generation smaller than 1 MW of connected generation connected in parallel operation to the Cooperative's electric distribution system and in operation on or after March 1, 2021 in accordance with the Cooperative's service rules and regulations and the Cooperative's Distributed Generation Procedures and Guidelines Manual for Members (available on request).

This rate is not applicable to temporary, shared, or resale service. This rate is applicable to service supplied at one point of delivery and measured through one meter. The Cooperative does not provide shared or resale service.

B. Sales to Customer

Sales to a Distributed Generation Customer shall be consistent with the applicable retail rate schedule established by the Cooperative and in use by the Customer as if there were no Distributed Generation installation.

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Section III – Service Rules and Regulations Part 2 – Electric Service

- C. <u>Customer Meter Charge Facility 100 kW of connected generation and smaller</u> \$15.00 per meter, per month for meter(s) installed, owned and operated by the Cooperative between the DG Facility and the energy consumption facility (e.g. Customer's residence) to measure energy produced by the DG Facility and consumed by the Customer. The Cooperative will need this data to determine the potential back-up power required to serve the Customer in the event the DG Facility does not generate energy to be consumed by the Customer at the energy-consumption facility.
- D. Purchases from a Customer- Facility 100 kW of connected generation and smaller For power produced in excess of on-site requirements, the Customer will be compensated by the retail purchase meter running in reverse (net metering). The Cooperative shall bill the Customer for the excess of energy supplied by the Cooperative over and above the energy supplied by the Customer during each billing period according to the Cooperative's applicable retail rate schedule. Net metering is defined as measuring the difference between the energy supplied by the Cooperative and the energy generated by the Customer's Distributed Generation facility and delivered to the Cooperative's electric distribution system over the operable time period.

When the energy supplied by the Customer exceeds the energy supplied by the Cooperative during a billing period, the monthly customer charge and/or minimum bill of the retail rate schedule shall be billed by the Cooperative in addition to the Customer Meter charge, and the excess energy shall be provided at no charge to the Cooperative.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the Cooperative may, at its sole discretion, elect to purchase power from the Customer under the terms of this section.

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Section III – Service Rules and Regulations Part 2 – Electric Service

E. <u>Purchases from a Customer – Facility Greater than 100 kW and less than 1 MW</u> of connected generation

Purchases from a Distributed Generation Customer will be at the Cooperative's avoided cost. The avoided cost may be calculated monthly.

Where both sales to the Customer and purchases from the Customer exist in a billing period, the Customer will be compensated by a bill credit at the avoided cost as noted above.

There shall be no "net metering" for Distributed Generation facilities larger than 100 kW of connected generation.

Customer must be a Qualifying Facility (QF) as defined by the Public Utility Regulatory Policies Act of 1978 (PURPA). If Customer is not a QF, the Cooperative may, at its sole discretion, elect to purchase power from the Customer under the terms of this section.

F. Application Fee

The Customer shall be obligated to pay the following one-time Application Fee in addition to all charges indicated on his/her base rate:

Under 100 kW Distributed Generation: \$200 Application Fee Over 100 kW and under 1 MW Distributed Generation: \$400 Application Fee

G. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Over 100 kW and under 1 MW @ \$ 40 per meter/month

H. Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible @ \$ 50 per meter/month

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional operation and maintenance expense caused by the Customer's facility.

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Section III – Service Rules and Regulations Part 2 – Electric Service

I. <u>Data Access – Communications Link</u>

In addition to all other charges in the Customer's tariff and this rider, the Customer will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion.

J. Contracts

An Interconnection Contract between the Customer and the Cooperative shall be required in all cases. For Customers greater than 100 kW of connected generation but less than 1 MW of connected generation where power is purchased from the Customer, a Purchased Power Contract between the Customer and the Cooperative shall be required. For Customers 1 MW of connected generation and larger where power is purchased from the Customer, a Purchased Power Contract between the Customer and the Cooperative's Power Supplier shall be required. (*Not covered by this tariff*)

K. <u>Producer Relations</u>

(1) Sales to Producer

Producer's rate class shall be designated by the Cooperative in accordance with the availability and the type of service provisions in its rate schedules for all service.

(2) Purchases from Producer

The Cooperative will pay the Producer for all power purchased at the following rates:

Capacity- No payment except by a separate firm power contract between the Producer and Cooperative.

Energy- The meter kWh output from the Producer will be purchased by the Cooperative on a per kWh basis at a rate determined by the following formula, where:

PP = Purchase Price per kWh to be paid to the producer.

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TEC	=	Coo	peratives	Tot	al Energy	Cost (E0	C * Tk	Wh)
		per	month	of	purchase	based	upon	the
		Coo	perative's	s mo	st recent w	holesale	power	bill.

EC = Cooperative's Energy Cost per month of purchase based upon the Cooperative's most recent wholesale power bill.

TFC = Cooperative's Total Fuel Cost (FC * TkWh) per month of purchase based upon the Cooperative's most recent wholesale power bill.

FC = Cooperative's Fuel Cost per month of purchase based upon the Cooperative's most recent wholesale power bill.

T kWh = Cooperative's Total kWh purchased by the Cooperative from the Cooperative's wholesale supplier.

Formula:
$$PP = \frac{TEC + TFC}{TkWh}$$

In the event that the Producer exercises the option to sell power to the Cooperative, there will be, in addition to the minimum monthly bill requirements under the applicable service rate schedule(s), a customer service charge for metering and billing or as may be set by the Board of Directors and appended to this Tariff.

L. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Customer Charge

Over 100 kW and under 1 MW @ \$ 40 per meter/month

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M. Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible

@ \$50 per meter/month

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional operation and maintenance expense caused by the Customer's facility.

N. Refusal to Purchase

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all the output of the Producer's DG Facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer's DG Facility on the Cooperative's system, or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Distributive Generation.

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 3 – Disconnection of Service

350. Member Initiated Discontinuance of Service

350.1 <u>Member's Request</u>

Any Member desiring to discontinue electric utility service from the Cooperative shall make a request identifying the Member, the service location where discontinuance is desired, and the date service is requested to be discontinued.

350.2 Disconnection

Following receipt of Member's request for discontinuance of service, the Cooperative shall disconnect service. Where practicable disconnection is usually made on the date requested by the Member, however, the Cooperative shall not be obligated to make disconnection earlier than the second full business day following receipt of Member's request.

351. Cooperative Initiated Discontinuance

A. Disconnection for <u>delinquent bills</u>

A Member's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within twenty-six (26) days from the date of issuance of a bill and if proper notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "discontinuation of service notice" or similar language prominently displayed on the notice. Attached to or on the face of the termination notice or electric bill shall appear a statement notifying the Member that if he/she are in need of assistance with the payment of their bill, or is ill and unable to pay his/her bill, he/she may be eligible for payment assistance or special payment programs, such as deferred payment plans, disconnection moratorium for the ill, or energy assistance programs, and to contact the local office of the Cooperative for information on the available programs. If mailed, the cut-off day may not fall on a holiday or weekend, but shall fall on the next working day after the 10th day. Payment at the Cooperative's authorized payment agency is considered payment to the Cooperative. The Cooperative shall not issue a late notice or disconnect notice to the Member earlier than the first day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Cooperative's authorized payment agency.

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Section III – Service Rules and Regulations Part 3 – Disconnection of Service

B. Disconnection with notice

Utility service may be disconnected after proper notice for any of the following reasons:

- (1) Failure to pay a delinquent account for utility service or failure to comply with the terms of a deferred payment agreement.
- (j) Violation of the Cooperative's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation.
- (k) Failure to comply with the deposit where required by section (302) of this title (relating to Applicant and Member Deposit).

C. Disconnection without notice

Utility service may be disconnected without notice where a known dangerous condition exists for as long as the condition exists or where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment or in instances of tampering with the Cooperative's meter or equipment, or bypassing the same. Where reasonable, given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each residential unit as soon as possible after service has been disconnected.

D. <u>Disconnection prohibited</u>

Utility service may not be disconnected for any of the following reasons:

- (1) Delinquency in payment for utility service by a previous occupant of the premises.
- (2) Failure to pay for merchandise, or charges for non-utility service provided by the Cooperative.

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Section III – Service Rules and Regulations Part 3 – Disconnection of Service

- (3) Failure to pay charges arising from an under billing occurring due to any misapplication of rates more than six months prior to the current billing.
- (4) Failure to pay charges arising from an under billing due to any faulty metering, unless the meter has been tampered with.

E. <u>Disconnection on holidays or weekends</u>

Unless a dangerous condition exists, or unless the Member requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Cooperative are not available to the public for the purpose of making collections and reconnecting service.

F. Disconnection due to utility abandonment

The Cooperative may not abandon a Member or a certified service area without written notice to its Members therein and all similar neighboring utilities, and approval from the commission.

G. <u>Disconnection for illness or disability</u>

The Cooperative may not discontinue service to a delinquent residential Member permanently residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Member seeks to avoid termination of service under this rule, the Member must have the attending physician (for purposes of this rule, the term "physician" shall mean any public health official, including, but not limited to, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the Cooperative within sixteen (16) days of issuance of the bill. A written statement must be received by the Cooperative from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination provided by this rule shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by the utility and the Member or physician. The Member who makes such request shall enter into a deferred payment plan.

H. <u>Disconnection to energy assistance grantees</u>

The Cooperative may not terminate service to a delinquent residential Member for a billing period in which the Member has applied for and been granted energy

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Section III – Service Rules and Regulations Part 3 – Disconnection of Service

assistance funds if any agency for administration of these funds has notified the Cooperative prior to the date of disconnection, of approval of a grant sufficient to cover the bill, or a portion of the bill so that the Member can successfully enter into a deferred payment plan for the balance of the bill.

I. Disconnection during extreme weather

On a day when the previous day's highest temperature did not exceed thirty-two (32) °F, and the temperature is predicted to remain at that level for the next twenty-four (24) hours, according to the nearest National Weather Service (NWS) reports, or in zones where an excessive heat alert is in effect as determined by the NWS and reported by the National Oceanic and Atmospheric Administration (NOAA), the Cooperative cannot disconnect a Member until the Cooperative ascertains that no life-threatening condition exists in the Member's household, or would exist, because of disconnection during severe weather conditions.

J. <u>Resolution of disputes</u>

Any Member or Applicant for service requesting the opportunity to dispute any action or determination of the Cooperative under these rules shall be given an opportunity for a supervisory review by the Cooperative. If the Cooperative is unable to provide a supervisory review immediately following the Member's request for such review, arrangements for the review shall be made for the earliest possible date. Service shall not be disconnected pending completion of the review. The results of the supervisory review must be provided in writing to the Member within ten (10) days of the review, if requested. If the Member chooses not to participate in such review or to make arrangements for such review to take place within five (5) days after requesting it, the Cooperative may disconnect service; providing notice has been issued under standard disconnect procedures.

K. <u>Disconnection of master-metered apartments</u>

When a bill for utility services is delinquent for a master-metered apartment complex (defined as a sub metered or non-sub metered building in which a single meter serves five (5) or more residential dwelling units), the following shall apply:

(1) The Cooperative shall send a notice to the Member as required in subsection (A) of this section. At the time such notice is issued, the Cooperative shall also inform the Member that notice of possible disconnection will be provided to the tenants of the apartment complex in six (6) days if payment is not rendered before that time.

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Section III – Service Rules and Regulations Part 3 – Disconnection of Service

(2) At least six (6) days after providing notice to the Member and at least four (4) days prior to disconnect, the Cooperative shall post a minimum of five (5) notices in conspicuous areas in the corridors or other public places of the apartment complex. Language in the notice shall be prominently displayed and shall read:

Notice to residents of (name and address of apartment complex) electric utility service to this apartment complex is scheduled for disconnection on (date), because (reason for disconnection).

L. <u>Disconnection for non-payment of electric utility service charges for families with military personnel serving in a combat or war zone and for certain members of the reserve component</u>

The Cooperative shall not disconnect a Member's residential electric utility service for the Member's failure to pay for such service, if the Member, a spouse, or the head of the household is serving military duty in a combat or war zone, as designated by the federal government, or is a member of the reserve component who is serving military duty that is directly related to such hostilities, subject to the following provisions of this subsection:

- (1) The Cooperative will verify with the Member or his/ her family member that the Member, a spouse, or head of the household is serving military duty in such a combat or war zone, or is a member of the reserve component who is serving military duty that is directly related to such hostilities.
- (2) The Cooperative must offer a deferred payment plan under this subsection to any residential Member who expresses an inability to pay for electric utility service because of the service of the Member, a spouse, or the head of the household on military duty in such a combat or war zone or as a member of the reserve component on military duty that is directly related to such hostilities. Upon the cessation of hostilities or the return of the person serving military duty, whichever occurs later, and upon request by a Member, the Cooperative will offer subsequent renegotiation of a deferred payment plan agreement under reasonable terms and conditions for the outstanding balance owed for electric utility service charges. Such

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renegotiation shall include a deferred payment plan under this subsection with terms extending up to twelve (12) months for the unpaid balance.

(3) A deferred payment plan offered by the Cooperative under this subsection, when reduced to writing, must state, immediately preceding the space provided for the Member's signature and in boldface print at least two sizes larger than any other used thereon, that:

"If you are not satisfied with this contract, or if this agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the Cooperative immediately and do not sign this contract. If you do not contact the Cooperative, or if you sign this agreement, you give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement."

- (4) The Cooperative must not refuse a Member participation in a deferred payment program under this subsection on the basis of race, color, creed, sex or marital status.
- (5) A deferred payment plan offered under this subsection may be made by visiting the Cooperative's business office or contacting the Cooperative by telephone. If the Member visits the Cooperative's business office, the Cooperative may ask the Member to sign the deferred payment plan. The Cooperative must provide the Member with a copy of the signed plan. If the agreement is made over the telephone, the Cooperative must send a copy of the plan to the Member.
- (6) Interest or penalties shall not be assessed under any deferred payment plan authorized in this subsection.

351.1 Effect of Discontinuance of Service

A. Member's Obligations

Discontinuance of service shall not relieve Member from any obligation to the Cooperative or lessen or change any obligation in any manner.

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Section III – Service Rules and Regulations Part 3 – Disconnection of Service

B. Cooperative's Rights

Discontinuance of service shall not reduce, diminish, or eliminate any legal right or remedy accruing to the Cooperative on or before the date of discontinuance, nor shall discontinuance operate as a waiver of any legal right or remedy.

Failure of Cooperative to discontinue electric service at any time after default or breech of this tariff, or to resort to any legal remedy or its exercise of any one or more of such remedies does not affect the Cooperative's right to resort thereafter to any one or more of such remedies for the same or any default or breach by Member.

351.2 Dismantling of Cooperative Facilities

The Cooperative may, upon discontinuance of electric service to Member, dismantle and remove all lines, equipment, apparatus, or other facilities which the Cooperative may have installed to provide electric service to Member. The Cooperative may however abandon in place, in whole or in part, its underground lines and equipment in lieu of removing such facilities.

351.3 Liability for Discontinuance of Service

The Cooperative shall not be liable for any damages of any kind or character resulting from discontinuance or disconnection made pursuant to these rules.

351.4 <u>Refund of Membership Fee</u>

Within a reasonable time after discontinuance of service the Cooperative shall make reasonable efforts to refund Member's membership fee if Member is no longer required to maintain a membership. A credit to the Member's electric service account to satisfy an outstanding balance is considered a refund.

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Section III – Service Rules and Regulations Part 4 – Definitions

370. Definitions.

370.1 Applicant

A person or a business entity requesting electric service from the Cooperative in the manner prescribed in the Cooperative's service rules and regulations.

370.2 Board of Directors

The governing body responsible for the affairs of the Cooperative. The persons serving on this Board are elected by the membership.

370.3 Cooperative

Hamilton County Electric Cooperative Association

370.4 <u>Distribution System</u>

The Cooperative's primary and secondary voltage conductors, transformers, switchgear, connection enclosures, pedestals, services, and other associated equipment used to provide electric service.

370.5 Electric Service

Electric power and energy produced, or transmitted, or distributed, or provided, or made available by the Cooperative at the point of delivery together with all services and functions performed by the Cooperative.

370.6 Energy

The capacity for doing work. The unit for measuring electrical energy is the watt hour, or kilowatt hour which is 1,000 watt hours (kWh).

370.7 Facilities

All the plant and equipment of the Cooperative including all tangible personal property without limitations, in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by or in connection with the business of the Cooperative.

370.8 Member

Any person or a business entity having a contract with the Cooperative for the provision of electric service.

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 4 – Definitions

370.9	Member's Installation; Installation All conductors, equipment, buildings, structures, or apparatus of any kind on Member's side of point of delivery, excepting only Cooperative's metering equipment.
370.10	Meter A device, or devices, together with auxiliary equipment, for measuring electric energy usage and/or demand and/or other data.
370.11	Municipality Any incorporated city, town, or village.
370.12	Non-Permanent Installation or Intermittent Use Installation Any installation other than a permanent installation.
370.13	Parties The Cooperative and an Applicant or Member.
370.14	Permanent Installation Any installation that is:

A. Constructed on or permanently affixed to a concrete slab or concrete piers (not blocks) and which is actually used or occupied on a permanent full-time basis.

or

- B. Any other structure which meets all the following criteria:
 - (1) The structure must be impractical to move. Mobile homes with wheels, trailer hitch, and axles removed are considered impractical to move;
 - (2) The structure must be actually used or occupied on a permanent full time basis;
 - (3) The structure must be permanently connected to a water system and must also be permanently connected to a sewer or septic system.

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 4 – Definitions

370.15	<u>Person</u> Any individual, partnership, association, joint venture, corporation, or government entity.
370.16	Point of Delivery The point where the Member's service entrance conductors are connected to the Cooperative's bottom lug terminals in the meter base.
370.17	<u>Premises</u> The tract of land or real estate including buildings or other appurtenances thereon.
370.18	Rate Schedules The schedule of rates contained in Section II of these tariffs.
370.19	Regulatory Authority The Public Utility Commission of Texas or the governing body of any municipality within which service is provided.
370.20	Rules; Service Rules; Service Rules and Regulations Any service rule or regulation contained in Section III of these tariffs.
370.21	Service Area The area or territory in which the Cooperative provides electric utility service.
370.22	Service Entrance Conductors Conductors provided by the Member extending from Member's electrical equipment to the point of delivery where connection is made to the Cooperative's bottom lug terminals in the meter base.
370.23	Tariff(s) All provisions of this document including but not limited to provisions regarding: (1) Utility Operations (2) Rates and Charges (3) Service rules and Regulations