

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

TABLE OF CONTENTS

Section I – Utility Operations.....1

- 101. Description of Electric Utility Operations 1
 - 101.1 Organization..... 1
 - 101.2 Type of Service 1
 - 101.3 Service Area..... 1
 - A. Certification 1
 - B. Counties 1
 - C. Cities 2
- 102. Purpose and Scope of Tariffs..... 2
- 103. Applicability of Tariffs 2
- 104. Severability..... 2
- 105. Modification of Tariffs 3
- 106. No Waiver 3

Section II – Rates and Charges.....4

- 201. Rate Classification and Assignment 4
- 202. Rate Schedules..... 4
 - 202.1 General Service – Rate 01..... 4
 - A. Availability..... 4
 - B. Character of Service 4
 - C. Monthly Rates 4
 - (1) Customer Charge (Revised February 28, 2008)..... 4
 - (2) Energy Charge 4
 - D. Minimum Monthly Charge..... 5
 - E. Billing Adjustments 5
 - 202.1.1 General Service – Rate PP (Adopted February 23, 2017)..... 5
 - A. Availability..... 5
 - B. Character of Service 5
 - C. Monthly Rates 5
 - (1) Customer Charge 5
 - (2) Energy Charge 5
 - D. Minimum Monthly Charge..... 5
 - E. Billing Adjustments 5

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

202.2	General Service Large – Rate 02	6
A.	Availability.....	6
B.	Character of Service	6
C.	Monthly Rates	6
	(1) Customer Charge	6
	(2) Demand Charge (Revised September 25, 2014).....	6
	(3) Energy Charge	6
D.	Minimum Charge	7
E.	Billing Adjustments	7
F.	Delivery Point	7
G.	Temporary Service	7
202.3	General Service – Rate 04.....	7
A.	Availability.....	7
B.	Character of Service	7
C.	Monthly Rates	8
	(1) Customer Charge (Revised February 28, 2008).....	8
	(2) Energy Charge	8
D.	Minimum Monthly Charge.....	8
E.	Billing Adjustments	8
202.3.1	Wind Farm – Standby and Auxiliary Delivery Service (Adopted September 26, 2013).8	
A.	Application.....	8
B.	Type of Service	8
C.	Monthly Rate.....	8
	(1) Basic Charge	8
	(2) NCP Demand Charge.....	8, 9
	(3) Power Supply	9
D.	Minimum Charge	9
E.	Power Factor Adjustment.....	9
F.	Billing Adjustments	9
G.	Agreement.....	10
202.3.2	General Service Large – Special Contract Rate (Adopted September 26, 2013)	10
A.	Application.....	10
B.	Type of Service	10

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

C.	Monthly Rate.....	10
(1)	Customer Charge	10
(2)	Power Supply.....	10
D.	Minimum Charge	11
E.	Power Factor Adjustment.....	11
F.	Billing Adjustments	11
G.	Agreement.....	11
202.4	Outdoor Lighting	11
A.	Availability.....	11
B.	Character of Service	11
C.	Monthly Rates (Revised February 25, 2016 and February 28, 2008)	11
D.	Billing Adjustments	12
E.	kWh Use (Revised February 25, 2016)	12
F.	Conditions of Service.....	12
203.	Billing Adjustments.....	12
203.1	Power Cost Recovery Factor (PCRF) for All Rates.....	12, 13
203.2	Sales Tax (Revised January 31, 2008)	13
203.3	Meter Error Adjustment.....	13
203.4	Over Billing and Under Billing.....	13, 14
203.5	Power Factor Adjustment	14
204.	Service Fees.....	15
204.1	Trip Fee.....	15
204.2	Collection, Disconnection for Non-payment and Reconnection Fees (Revised March 30, 2017).....	15
204.3	Membership Fee	15
204.4	Connect Fee	16
204.5	Returned Check Fee.....	15
204.6	Meter Test Fee	16
204.7	Outdoor Lighting Fees (Revised April 27, 2017)	16
204.8	Secondary Lightning Arrestors	17
204.9	Previous Month Late Fee	17
204.10	Meter Tampering Fee (Adopted December 29, 2009).....	17

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations	18
Part 1 – Obtaining Electric Service	18
301. Application for Electric Service	18
301.1 Application Required	18
301.2 Membership in the Cooperative	18
301.3 Offers to Purchase Electric Service	18
302. Credit Requirements and Deposits	19
302.1 Credit Requirements for Applicants	19
302.2 Security Deposit.....	19
302.3 Amount of Deposit.....	20
302.4 Deposits after Connection of Service.....	20
302.5 Deposit for Temporary or Seasonal Service and for Weekend Residences	20
302.6 Additional Deposits	20, 21
302.7 Interest on Deposits	21
302.8 Records of Deposits	21
302.9 Refunding Deposits (Revised March 30, 2017).....	22
302.10 Re-establishment of Credit	22
303. Cooperative Action on the Application	23
303.1 Granting Application	23
A. Signature	23
B. Initiating Service	23
303.2 Refusal of Service	23
A. Credit.....	23
B. Fulfillment of Conditions Precedent	23
C. Membership	23
D. Hazardous Condition.....	24
303.3 Insufficient Grounds for Refusal to Serve (Revised March 30, 2017).....	24
304. Contract of Service	24
304.1 Terms of Contract	24
304.2 Conditions to be Fulfilled by Applicant or Member Prior to the Rendition of Service	25
A. Comply with Law.....	25
B. Comply with Service Rules.....	25
C. Member’s Installation	25

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

D.	Easement	26
E.	Construction Cost.....	26
304.3	Assignment of Contract	26
304.4	Modification by the Parties	26
305.	Line Extension Policy.....	26
305.1	General Policy (Revised March 26, 2015).....	26, 27
305.2	General Requirements.....	27
A.	Applicant shall comply with provisions.....	27
B.	Ownership of Distribution Facilities	27
C.	Contributions in Aid of Construction.....	27
D.	Standard Construction and Voltages	28
E.	Standard of Construction.....	28
F.	Installation of Member Disconnect/Over Current Protective Device.....	28
G.	Meter Loops	28, 29
H.	Underground Single Phase or Three Phase Primary and Secondary Installations (Revised March 26, 2015)	29
I.	Construction Costs	30
J.	Right of Way.....	30
K.	Transformers	30
305.3	Service Classification.....	30
A.	Permanent Classification (Revised August 31, 2017).....	30, 31, 32, 33
	(Previous revisions April 27, 2017, October 27, 2016, March 26, 2015, and September 29, 2011)	
B.	Indeterminate Classification (Revised October 27, 2016).....	33
C.	Temporary Classification	34
D.	Overhead and/or Underground Services (Revised March 26, 2015).....	34
E.	Security Lighting Classification (Revised October 27, 2016).....	34
	(1) Fixture location on existing pole.....	34
	(2) Fixture location on new pole.....	35
	(3) Relocation of lighting fixture.....	35
	(4) Transformer installation.....	35
F.	Subdivision Development Classification (Revised August 30, 2018).....	35, 36
	(Previous revisions April 27, 2017, October 27, 2016 and March 26, 2015)	
G.	Relocation of Cooperative Facilities	37

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

H. Special Circumstances (Revised April 26, 2018).....37
(1) Waiver of Contribution in Aid of Construction for Applicants of Membership37
(2) Finance of Contribution in Aid of Construction for Existing Members of Three or More Years 38, 39
(3) Any other extensions of service not specifically described 39
306. Meters 39
306.1 Location and Installation of Meter 39, 40
306.2 Type of Meter and Ownership of Meter 40
307. Point of Delivery 40
308. Initiation of Service 40, 41
Part 2 – Electric Service42
320. Electric Energy 42
320.1 Delivery of Electric Energy 42
320.2 Characteristics of Electric Energy..... 42
A. Voltage 42
B. Frequency..... 42
321. Method of Providing Service..... 42
321.1 Overhead Service Drop..... 42, 43
321.2 Underground Electric Service 43
321.3 Mobile Home Parks 43
321.4 Apartments..... 43
322. Continuity of Electric Service 43
322.1 Reasonable Diligence..... 43
322.2 Service Interruptions..... 43, 44
322.3 Service Irregularities..... 44
322.4 Investigation of Service Interruptions and Irregularities..... 44
322.5 Limitation of Liability for Service Interruption, Irregularity, and Force Majeure 44
323. Member’s Receipt and Use of Electric Energy..... 45
323.1 Receipt of Electric Energy 45
A. Exclusive Use..... 45
B. Member’s Installation 45
C. Liability for Injury and Damages 45, 46
323.2 Members Use of Electric Energy 46
A. Permitted Uses 46

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

B.	Resale Prohibited	46
C.	Interstate Transmission of Electric Energy Prohibited.....	46
D.	Uses Prohibited by Law	46
323.3	Member's Electrical Load.....	47
A.	Load Balance.....	47
B.	Allowable Motor Starting Currents.....	47
C.	Intermittent Electrical Loads	47
D.	Equipment Necessary to Limit Adverse Effect	47, 48
E.	Voltage and Wave Forms Sensitive Equipment.....	48
F.	Changes in Member's Electrical Load	48
323.4	Power Factor	49
323.5	Access	49
323.6	Protection of Cooperative's Facilities on Member's Premises	49
324.	Billing.....	49
324.1	Determining Usage of Electric Energy	50
324.2	Meter Reading.....	50
324.3	Estimated Billings.....	50
324.4	Meter Test and Accuracy Adjustment.....	50
324.5	Minimum Charges	50, 51
324.6	Terms of Payment.....	51
324.7	Disputed Bills	51, 52
324.8	Deferred Payment Plan	52, 53, 54
325.	Member Relations.....	54
325.1	Available Information.....	54
A.	Facilities for Providing Electric Service (Revised March 30, 2017).....	54
B.	Cost of Providing Service	54
C.	Tariffs.....	54
D.	Meter Reading.....	54
325.2	Member Complaints.....	55
330.	Distributed Generation	55
A.	Application (Revised November 20, 2008)	55
B.	Sales to Customer	55
C.	Purchases from a Customer – Facility 50 kW of connected generation and smaller (Revised March 31, 2011 and November 20, 2008).....	55, 56

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

D.	Purchases from a Customer – Facility Greater than 50kW and less than 4 MW of connected Generation (Revised March 31, 2011 and November 20, 2008).....	56
E.	Monthly Rate (Revised March 31, 2011 and November 20, 2008)	57
F.	Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible	57
G.	Data Access – Communications Link.....	57
H.	Contracts (Revised March 31, 2011 and November 20, 2008).....	57
I.	Producer Relations	58
	(1) Sales to Producer.....	58
	(2) Purchases from Producer.....	58, 59
J.	Monthly Rate (Revised March 31, 2011 and November 20, 2008)	59
K.	Additional charge for meter reading by Cooperative personnel where remote access to meter reading is not feasible	59
L.	Refusal to Purchase.....	59

Distributed Generation Procedures & Guidelines Manual for Members (Revised August 2011) included under separate cover.

Part 3 – Disconnection of Service60

350.	Member Initiated Discontinuance of Service	60
	350.1 Member’s Request	60
	350.2 Disconnection	60
351.	Cooperative Initiated Discontinuance.....	60
	A. Disconnection for delinquent bills	60, 61
	B. Disconnection with notice (Revised March 30, 2017).....	61
	C. Disconnection without notice.....	61
	D. Disconnection prohibited (Revised March 30, 2017)	61, 62
	E. Disconnection on holidays or weekends	62
	F. Disconnection due to utility abandonment.....	62
	G. Disconnection for illness or disability.....	62
	H. Disconnection to energy assistance grantees	63
	I. Disconnection during extreme weather.....	63
	J. Resolution of disputes.....	63
	K. Disconnection of master-metered apartments	63, 64
	L. Disconnection for non-payment of electric utility service charges for families with military	

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

personnel service in a combat or war zone and for certain members of the reserve component	64, 65
351.1 Effect of Discontinuance of Service	66
A. Member's Obligations.....	66
B. Cooperative's Rights.....	66
351.2 Dismantling of Cooperative Facilities	66
351.3 Liability for Discontinuance of Service	66
351.4 Refund of Membership Fee	67
Part 4 – Definitions	68
370. Definitions	68
370.1 Applicant.....	68
370.2 Board of Directors	68
370.3 Cooperative.....	68
370.4 Distribution System	68
370.5 Electric Service	68
370.6 Energy.....	68
370.7 Facilities.....	69
370.8 Member.....	69
370.9 Member's Installation; Installation	69
370.10 Meter.....	69
370.11 Municipality.....	69
370.12 Non-Permanent Installation or Intermittent Use Installation	69
370.13 Parties	69
370.14 Permanent Installation	70
370.15 Person	70
370.16 Point of Delivery	70
370.17 Premises.....	70
370.18 Rate Schedules.....	71
370.19 Regulatory Authority	71
370.20 Rules, Service Rules; Service Rules and Regulations	71
370.21 Service Area	71
370.22 Service Entrance Conductors.....	71
370.23 Tariff(s).....	71

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Part 5 – Forms.....72

- Electric Utility Easement and Covenant of Access
- Electric Service Agreement

Part 6 – Exhibits

- Exhibit “A” Line Extension Loan Agreement”
- Exhibit “B” Promissory Note

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section I – Utility Operations

101. Description of Electric Utility Operations

101.1 Organization

Hamilton County Electric Cooperative Association 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.

(Revised)

101.2 Type of Service

The Cooperative provides electric utility service through the operation of a retail 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.

(Revised)

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	

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

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

(Revised)

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 Electric Service Agreement.

(Revised)

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.

(Revised)

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section I – Utility Operations

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.

(Revised)

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

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.

Upon request, a prospective residential applicant shall be informed of the Cooperative's lowest-priced service alternatives available at the service location giving full consideration to equipment operations and line extension charges, if any.

(Revised)

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. 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 @ \$15.00 per meter

This charge is for the availability of electric service;

(Revised February 28, 2008)

and

(2) Energy charge @ \$ 0.0807 per kWh

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

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

E. Billing Adjustments
This rate is subject to all billing adjustments.

202.1.1 General Service-Rate PP - Prepay

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
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) Energy charge @ \$ 0.0807 per kWh

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

E. Billing Adjustments
This rate is subject to all billing adjustments.

(Adopted February 23, 2017)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

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) Customer Charge: \$50.00 per meter

This charge is for the availability of electric service;

and

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

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. (Effective May 1, 2016)

c. The contract demand specified in the Cooperative's Electric Service Agreement with the Customer.

(Revised September 25, 2014)

and

(3) Energy Charge:

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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

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
 - (3) Any amount authorized under the Cooperative's line extension policy for amortization of line extension costs.

- E. Billing Adjustments
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. Temporary Service
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.

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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

C. Monthly Rates

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

- (1) Customer Charge:
Three-Phase Service@ \$25.00 per kWh
This charge is for the availability of electric service
(Revised February 28, 2008)
and

- (2) Energy charge@ \$0.0807 per kWh

D. Minimum Monthly Charge

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

E. Billing Adjustments

This rate is subject to all 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.

C. Monthly Rate

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

- (1) Basic Charge: \$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:

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

- (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.
- 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

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.

(Adopted September 26, 2013)

202.3.2 General Service Large – Special Contract Rate

A. Application

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. Type of Service

Wholesale Delivery Point service (Secondary Voltage Level)

C. Monthly Rate

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

(1) Customer Charge: \$1000.00 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 Cooperative, to calculate the Customer's power cost at the wholesale supplier's metering point to the Cooperative.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

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-eight 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.

(Adopted September 26, 2013)

202.4 Outdoor Lighting

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.

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

(Revised February 25, 2016)

(Previous Revision February 28, 2008)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

D. Billing Adjustments

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

(Revised February 25, 2016)

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 Power Cost Recovery Factor (PCRf) for All Rates

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

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

Where:

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

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

B = Total estimated purchased electricity cost from all suppliers, including fuel, which are included in the Cooperative's base rates. The base power cost is

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

computed by multiplying the kWhs sold during the applicable billing period by \$ 0.051859 per kWhs.

kWhs = Total estimated energy sales for billing period.

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

(Revised)

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.

(Revised January 31, 2008)

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 from 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.

(Revised)

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

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.

(Revised)

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. *(Revised)*

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

204. Service Fees

204.1 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.

(Revised)

204.2 Collection, Disconnection for Non-payment and Reconnection Fees

The Cooperative will charge a \$40.00 fee to reconnect an account which has been disconnected for non-payment.

(Revised March 30, 2017)

204.3 Membership Fee

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

(Revised)

204.4 Connect Fee

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

204.5 Returned Check Fee

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

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

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.

(Revised)

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.

(Revised April 27, 2017)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section II – Rates and Charges

- 204.8 Secondary Lightning Arrestors
The Cooperative will charge a \$125.00 fee to install a secondary lightning arrestor.
(Revised)
- 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.
(Revised)
- 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.
(Adopted December 29, 2009)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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 Electric Service Agreement, the form of which is contained in these tariffs. A separate Electric Service Agreement is required for each location where delivery of electric energy is desired, whether or not for initiation or renewal of service or otherwise. An Electric Service Agreement is filed when it is received by an appropriate Cooperative employee at any office of the Cooperative.

The Electric Service Agreement 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.

(Revised)

301.2 Membership in the Cooperative

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.

(Revised)

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 Electric Service Agreement, these tariffs, any applicable easement and the Cooperative's bylaws.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 1 – Obtaining Electric Service

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.

(Revised)

302.2 Security Deposit

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- 302.3 Amount of Deposit
The required deposit shall not exceed an amount equivalent to one-sixth ($\frac{1}{6}$) of the estimated billings.
(Revised)
- 302.4 Deposits after Connection of Service
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.
(Revised)
- 302.5 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.
(Revised)
- 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- 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.

(Revised)

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.

(Revised)

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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.

- 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.

(Revised March 30, 2017)

302.10 Re-establishment of Credit

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 1 – Obtaining Electric Service

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 Granting Application

The Cooperative may grant an application by:

A. Signature

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

or

B. Initiating Service

Making electricity available at the Service Location.

(Revised)

303.2 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. Membership

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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.

(Revised)

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 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.

(Revised March 30, 2017)

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 Electric Service Agreement (including this tariff) and any applicable easement.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- 304.2 Conditions to be Fulfilled by Applicant or Member Prior to the Rendition of Service
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. Comply with Service Rules
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 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric 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 of this tariff.

E. Construction Cost

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

(Revised)

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.

(Revised)

304.4 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.

(Revised)

305. Line Extension Policy

305.1 General Policy

It shall be the policy of this Cooperative to extend electric service to all within its service area who desire electric service; however, in extending such electric service, it is necessary that the financial stability of the Cooperative be maintained by eliminating the construction of unnecessary facilities and by having sound procedure whereby revenue from lines constructed by the Cooperative will amortize the cost of such lines over a reasonable period of time. It is therefore necessary that certain requirements be met before funds are invested in the construction of new lines to serve additional members. Extensions of electric services will hereafter be provided on the following terms and conditions.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

The Applicant must complete an Application for Membership and/or Agreement for Electric Service subject to the following terms and conditions:

- A. Applicants who cannot demonstrate financial responsibility will be required to furnish a security deposit.
- B. The Applicant shall specify his power requirements and the Cooperative shall have sole responsibility to determine the needed electric system to meet the Customer's requested power requirements.
- C. The Applicant shall execute an Application and pay the required membership fee, deposits, connect fees, and other charges as required.
(Revised March 26, 2015)

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 nonrefundable contributions in aid of construction, 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. Contributions in Aid of Construction – All contributions in aid of construction under this policy are nonrefundable except as specified in this policy.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

D. Standard Construction and Voltages – 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.

E. Standard of Construction – 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 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 the shortest distance between the origin and applicant’s requested point of delivery.

F. Installation of Member Disconnect/Over Current Protective Device – The Member shall be responsible for the installation and the costs of installation of the Member’s disconnection device and over current protection box (often called a fuse 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 disconnect/over current protection device is installed.

G. Meter Loops – The applicant shall specify, at his/ her time of application for service, whether the meter loop will be installed on a structure or on a pole, and shall pay in advance the applicable costs below:

- (1) If the meter loop is to be installed on a structure, the Cooperative shall provide the socket, meter loop conductor, conduit and weather head at full cost to the applicant if the conduit and weather head does not extend above the roof. Applicant shall be responsible for the installation of the socket, conduit and weather head on the structure, and Cooperative shall be responsible for the connection of the meter loop to the service.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

If the weather head 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 full cost of labor, material, and overhead for the Cooperative to install the meter loop (see section 204.7). Cooperative shall be responsible for the connection of the meter loop to the service.

H. Underground Single Phase or Three Phase Primary and Secondary Installations

(1) Primary Service Extensions

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

(2) Secondary Underground Service

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 underground 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 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 cost of providing any secondary underground service will be included in the total estimated costs 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.

(Revised March 26, 2015)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- I. Construction Costs – Applicant shall pay, in advance, the nonrefundable contributions in aid of construction and any applicable costs for service, meter poles or other facilities as described in this Line Extension Policy.
- J. Right of Way – Applicant shall provide Cooperative, at applicant’s cost a cleared right of way free of obstructions and obstacles, where the right of way shall be cleared to a width of twenty (20) feet.
- K. Transformers - Applicant shall pay full cost for the labor, material, and overhead for the Cooperative to install the transformer.

305.3

Service Classification

The Cooperative extends its distribution facilities to Members in accordance with the following line extension provisions. Each provision classifies the predominant type of electric service/use anticipated on the Member’s premises and specifies conditions under which a line extension may be made.

For each location where electric service is desired, Member’s classification involves an evaluation of the type of installation and its use. 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.

- A. Permanent Classifications – 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 electrical 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 that consists of at least 1,000 square feet of living area and completely constructed on site and meets the following criteria:

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- (a) Constructed on or permanently affixed to a concrete slab or concrete piers (not blocks) or an approved pier and beam foundation, and
- (b) Connected to a permanent approved water system and a permanent approved septic system.

or

Permanent Modular Residential Dwelling

A manufactured/modular residential dwelling must be a single-family dwelling that consists of at least 1,000 square feet of living area and 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.
- (2) Line extensions and/or system improvements which are required to extend service to applicants in this classification shall be performed only if the applicant pays, in advance, a nonrefundable contribution in aid of construction for the total cost of the new construction and/or system improvements. This nonrefundable contribution in aid of construction shall be paid by the applicant before the Cooperative initiates construction.
 - (3) Qualifying applicants which fall in this classification shall receive a credit of up to \$1,500.00, once requirements stated in Tariff 305.A (1) are met. The credit may not exceed the cost of the job.
 - (4) The Cooperative shall have the right to require that a Member pay to the Cooperative any nonrefundable contribution in aid of construction which was waived by the Cooperative if at any time the Member's facility does not comply with the requirements for a Permanent Residential Dwelling. The Cooperative may also discontinue service to any Member who fails to pay the waived

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

nonrefundable contribution in aid of construction upon request by the Cooperative.

(5) 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, and where the frequency and duration of usage of electrical energy and capacity can be reasonably estimated.
- (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, stock barns, grain driers, elevators and other facilities where the facility is directly used in a commercial agricultural application. This category does not include low consumption facilities such as fence chargers, gate openers, equipment shelters and other similar or low consumption facilities.
- (d) Line extensions and/or system improvements which are required to extend service to applicants in this classification shall be performed only if the applicant pays, in advance, a nonrefundable contribution in aid of construction for the total cost of the new construction and/or system improvements. This nonrefundable contribution in aid of construction shall be paid by the applicant before the Cooperative initiates construction.

Churches and schools are granted some relief on line extension charges. Churches are granted a \$1,000 credit to the cost of construction. Schools are granted a \$2,500 credit to the cost of construction. The remaining nonrefundable

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

contribution in aid of construction shall be paid by the applicant before the Cooperative initiates construction.

(Revised August 31, 2017)

(Previous Revisions April 27, 2017, October 27, 2016, March 26, 2015; September 29, 2011)

B. Indeterminate Classification – Applicants under this classification include:

- (1) Facilities which do not meet the criteria for permanent residential dwellings, or permanent non-residential facilities.
- (2) Seasonal facilities, such as vacation homes, hunting camps, fishing camps, baseball fields, parks and other types of recreational areas, service to recreational vehicles,
- (3) Low consumption facilities, including but not limited to electric fences, barns, bunk houses, equipment shelters, radio and microwave towers, and other similar facilities,
- (4) 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.

Line extensions and/or system improvements in this classification shall be performed only if the applicant pays, in advance, a nonrefundable contribution in aid of construction for the total cost of the new construction and/or system improvements. This nonrefundable contribution in aid of construction shall be paid by the applicant before the Cooperative initiates construction.

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 line construction credit for which the applicant would have been eligible at the time of the original extension of service. This provision is applicable only if the reclassification occurs within one year of the original extension of service.

(Revised October 27, 2016)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

C. Temporary Classification

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

The Cooperative shall extend service to applicants under this classification only if the applicant pays, in advance, a nonrefundable contribution in aid of construction for the total cost of the new construction and/or system improvements less approximate salvage value of materials used plus costs of removal. The applicant shall also pay, in advance, the cost of any other service charges associated with the extension of temporary service. This nonrefundable contribution in aid of construction shall be paid by the applicant before the Cooperative initiates construction.

D. Overhead and/or Underground Services

The Applicant may request overhead or underground service as described in Tariff 305.2 sections G and H. However, after review of the circumstances involved in providing either overhead or underground service as requested by the applicant, the Cooperative shall retain authority to provide one over the other at its sole discretion. This nonrefundable contribution in the aid of construction shall be paid by the Applicant before the Cooperative establishes service.

(Revised March 26, 2015)

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:

(Revised October 27, 2016)

- (1) Fixture location on existing pole – 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 the total cost of labor, material, and overhead for the lighting fixture, wiring, and connections, photoelectric cell, and any additional modifications required to the existing pole.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- (2) Fixture location on new pole – 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 nonrefundable contribution in aid of construction which shall include the cost of all labor, material and overhead associated with 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 the total cost of labor, material and overhead 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 the full cost of removal and relocation.
- (4) Transformer installation – If the Cooperative must install a transformer to provide 120-volt service to a security light, the applicant shall pay a contribution in aid of construction 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 Member will ultimately receive service from the Cooperative. The Cooperative will perform new construction and/or system improvements in order 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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

residential lot shall not exceed ½ (one-half) acre, and there must be at least 20 lots to be considered a subdivision. Subdivisions with lots that exceed ½ (one-half) acre will be considered on a case by case basis.

- (3) The developer shall provide dedicated easements satisfactory to the Cooperative along streets and/or roads within the development.
- (4) 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.
- (5) The Cooperative shall not provide "back lot" type service within the subdivision. All of the Cooperative's facilities shall be readily and easily accessible from roads and streets within the subdivision.
- (6) A developer may be required to pay, in advance, a contribution in aid of construction for the total estimated cost of new construction and/or system improvements, excluding meters and services. The developer may receive a partial pro rata refund of the original contribution in aid of construction, 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 contribution in aid of construction 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 contribution in aid of construction 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 contribution in aid of

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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

(Revised August 30, 2018)

(Previous Revisions April 27, 2017, October 27, 2016 and March 26, 2015)

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 is able to acquire an acceptable easement, and
- (2) The person shall pay a nonrefundable contribution in aid of construction, in advance, for the total cost of the construction, removal, relocation and retirement of the Cooperative's facilities.

H. Special Circumstances

(1) Waiver of Contribution in Aid of Construction for Applicants of Membership. The Cooperative, upon recommendation of the General Manager, may waive a portion or all of the contributions in aid of construction required under the Line Extension Policy if, in the General Manager's opinion any one or more of the following conditions are satisfied:

- (i) The waiver of contribution is reasonable and necessary to attract the applicant to the Cooperative's service area;
- (ii) The anticipated annual revenue from the applicant justifies the Cooperative's investment;
- (iii) The construction required will facilitate service to other potential applicants or improve service to existing Members; or

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- (iv) The service to the applicant will contribute economic development of the Cooperative's service area or will be beneficial to the Cooperative's membership.
- (2) Finance of Contribution in Aid of Construction for Existing Members of Three or More Years. The Cooperative, upon recommendation of the General Manager, may finance a portion or all of the contributions in aid of construction required under the Line Extension Policy if, in the General Manager's opinion all of the following conditions are satisfied:
- (i) As of the date of application for financing, the Member must have been an existing Member for at least three (3) consecutive years;
 - (ii) 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 electrical service during the three (3) consecutive years prior to the application for financing;
 - (iii) The line extension requested by the Member must be an upgrade to such existing 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;
 - (iv) 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 such area;
 - (v) The contribution in aid of construction for such line extension must exceed fifty-thousand dollars (\$50,000); and not exceed two hundred fifty thousand dollars (\$250,000);

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

- (vi) The Member requesting the line extension must post a surety bond in the form and amount required by the Cooperative.
 - (vii) The Member executes a Line Extension Agreement with the Cooperative, attached hereto as Exhibit “A,” and a Promissory Note to the Cooperative for the total amount financed as contribution in aid of construction, substantially in the form attached hereto as Exhibit B;
 - (viii) The term for payment of the Promissory Note must not exceed ten (10) years; and
 - (ix) 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.

(Revised April 26, 2018)

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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

(Revised)

306.2 Type of Meter and Ownership of Meter

The Cooperative shall provide, install, own, and maintain all meters necessary for the measurement of electrical 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.

(Revised)

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations

Part 1 – Obtaining Electric Service

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

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

320. Electric Energy

320.1 Delivery of Electric Energy

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.

(Revised)

320.2 Characteristics of Electric Energy

A. Voltage

The Cooperative adopts the following standard voltages for distribution:

<u>Single Phase</u>	<u>Three Phase</u>
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.

(Revised)

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

where the Cooperative has or expects substantial investment in underground distribution facilities. To receive overhead service Members must install a suitable bracket for attachment of Cooperative conductors in compliance with the National Electrical Safety Code.

(Revised)

321.2 Underground Electric Service

Underground service is available as provided for in section 305.3.

(Revised)

321.3 Mobile Home Parks

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

(Revised)

321.4 Apartments

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

(Revised)

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.

(Revised)

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.

(Revised)

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.

(Revised)

322.4 Investigation of Service Interruptions and Irregularities

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.

(Revised)

322.5 Limitation of Liability for Service Interruption, Irregularity, and Force 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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

- (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 electrical energy, service or facilities between Cooperative and Member.

(Revised)

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. Uses Prohibited by Law

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

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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:

<u>Nominal Nameplate Voltage</u>	<u>Phase</u>	<u>Maximum Locked Rotor Current</u>
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.

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

C. Intermittent Electrical Loads

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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. Voltage and Wave Forms Sensitive Equipment

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.
(Revised)

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.
(Revised)

323.6 Protection of Cooperative's Facilities on Member's Premises
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.
(Revised)

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.
(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

- 324.1 Determining Usage of Electric Energy
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.
(Revised)
- 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.
(Revised)
- 324.3 Estimated Billings
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.
(Revised)
- 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.
(Revised)
- 324.5 Minimum Charges
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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

adjustments. All billing adjustments shall be billed in addition to and exclusive of the minimum charge.

(Revised)

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

(Revised)

324.7 Disputed Bills

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 on the basis of 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.

(Revised)

324.8

Deferred Payment Plan

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.

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 ($\frac{1}{3}$) 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.”

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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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, taking into account 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.

(Revised)

325. Member Relations

325.1 Available Information

A. Facilities for Providing Electric Service

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. *(Revised March 30, 2017)*

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

325.2 Member Complaints

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

(Revised)

330. 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 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). *(Revised November 20, 2008)*

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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

(Revised March 31, 2011)

(Previous Revision November 20, 2008)

D. Purchases from a Customer – Facility Greater than 100 kW and less than 1 MW 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.

(Revised March 31, 2011)

(Previous Revision November 20, 2008)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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
(*Revised March 31, 2011*)
(*Previous Revision November 20, 2008*)

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.

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*)

(*Revised March 31, 2011*)
(*Previous Revision November 20, 2008*)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.

TEC = Cooperatives Total Energy Cost (EC * TkWh) per month of purchase based upon the Cooperative's most recent wholesale 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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

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

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 1,000 KW @ \$ 40 per meter/month
(*Revised March 31, 2011*)
(*Previous Revision November 20, 2008*)

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 of 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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

350. Member Initiated Discontinuance of Service

350.1 Member's Request

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.

(Revised)

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.

(Revised)

351. Cooperative Initiated Discontinuance

A. Disconnection for delinquent bills

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

ascertain receipt of payment by mail or at the Cooperative's authorized payment agency.

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.
- (2) 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.
- (3) Failure to comply with the deposit where required by section (302.1) of this title (relating to Applicant and Member Deposit).

(Revised March 30, 2017)

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. Disconnection prohibited

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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

- (2) Failure to pay for merchandise, or charges for non-utility service provided by the Cooperative.
- (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.

(Revised March 30, 2017)

E. Disconnection on holidays or weekends

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. Disconnection for illness or disability

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.

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

- H. Disconnection to energy assistance grantees
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 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. Resolution of disputes
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. Disconnection of master-metered apartments
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:

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

- (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.
- (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. 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

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

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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 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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

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.

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 breach 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.

(Revised)

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.

(Revised)

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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

351.4

Refund of Membership Fee

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.

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

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.
(Revised)
- 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.
(Revised)
- 370.3 Cooperative
Hamilton County Electric Cooperative Association
(Revised)
- 370.4 Distribution System
The Cooperative's primary and secondary voltage conductors, transformers, switchgear, connection enclosures, pedestals, services, and other associated equipment used to provide electric service.
(Revised)
- 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.
(Revised)
- 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).
(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 4 – Definitions

- 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.
(Revised)
- 370.8 Member
Any person or a business entity having a contract with the Cooperative for the provision of electric service.
(Revised)
- 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.
(Revised)
- 370.10 Meter
A device, or devices, together with auxiliary equipment, for measuring electric energy usage and/or demand and/or other data.
(Revised)
- 370.11 Municipality
Any incorporated city, town, or village.
(Revised)
- 370.12 Non-Permanent Installation or Intermittent Use Installation
Any installation other than a permanent installation.
(Revised)
- 370.13 Parties
The Cooperative and an applicant or Member.
(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

Section III – Service Rules and Regulations Part 4 – Definitions

- 370.18 Rate Schedules
The schedule of rates contained in Section II of these tariffs.
(Revised)
- 370.19 Regulatory Authority
The Public Utility Commission of Texas or the governing body of any municipality within which service is provided.
(Revised)
- 370.20 Rules; Service Rules; Service Rules and Regulations
Any service rule or regulation contained in Section III of these tariffs.
(Revised)
- 370.21 Service Area
The area or territory in which the Cooperative provides electric utility service.
(Revised)
- 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.
(Revised)
- 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
(4) Forms

(Revised)

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION

ELECTRIC TARIFFS

FORMS

WO #: _____

NAME:

Map#

**ELECTRIC UTILITY EASEMENT
AND
COVENANT OF ACCESS**

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF: _____

Print or Type Name(s)

That the undersigned, hereinafter called "Grantor" (whether one or more) for good and valuable consideration including the approval and execution of an Electric Service Agreement by **HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION** (hereinafter called the "Cooperative", does hereby covenant access to and grant, sell and convey unto the Cooperative an easement and right-of-way upon and across the following described property of grantor: (Furnish copy of warranty deed from Deed Records).

The right-of-way, easement, rights and privileges herein granted shall be used for the purpose of providing electric utility service (overhead or underground) including placing, constructing, operating, repairing, inspecting, rebuilding, replacing, removing, relocating electric lines, transmission or distribution facilities or equipment, as well as reading any meter or performing any act related to the provision of utility service. The Cooperative is specifically granted pedestrian and vehicular ingress and egress.

The easement rights herein described shall be no broader than reasonably necessary to provide electric and other utility service. The width of the easement shall be eighty (80) feet, one-half (1/2) of such distance on either side of Cooperative's lines, poles or other facilities. The height of the easement shall be from fifteen (15) feet beneath the surface of the ground to a height of seventy (70) feet above the ground.

The easement, right and privilege herein granted shall be perpetual, appurtenant to the land, and shall inure to the benefit of the Cooperative's successors and assigns. Grantor represents that he is the owner of the above-described tract of land and binds himself, his heirs, assigns, and legal representatives to warrant and forever defend the easement and rights described herein to the Cooperative, its successors and assigns.

The Cooperative shall have the right to use so much of the surface of the hereinbefore described property of Grantor as may be reasonably necessary to construct and install within the right-of-way granted hereby the facilities that may at any time be necessary for the purpose herein specified.

The Cooperative shall have the right to clear the right-of-way of all obstructions, to cut and trim trees within the right-of-way and /or chemically treat trees or shrubbery with herbicides.

Grantor further covenants that Grantor, his heirs, successors and assigns shall facilitate and assist Cooperative personnel in exercising their rights and privileges herein described at all reasonable times and shall not build, construct or cause to be erected any building or other structure that may interfere with the provision of electric service or the exercise of the rights granted to the Cooperative herein.

PRINT NAME: _____

SIGNATURE: _____

THE STATE OF TEXAS
COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared, _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, _____

Notary Public in and for the State of Texas

(Printed or Stamped name of Notary)

My Commission Expires: _____

Account #:

Name:

Service Address:

HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION
ELECTRIC SERVICE AGREEMENT

The undersigned (the "Member") hereby makes application and agrees to purchase electric service from HAMILTON COUNTY ELECTRIC COOPERATIVE ASSOCIATION (the "Cooperative") upon the following terms and conditions.

1. **Service.** Cooperative agrees to use reasonable diligence to provide electric utility service to a point of delivery at Member's service location. The electric service contracted for herein is to be provided and taken in accordance with the provisions of this Agreement and Cooperative's tariffs. SAID TARIFF IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICES IN HAMILTON, TEXAS. Any tariff provision (including rates) may be changed by order or consent of any regulatory authority having jurisdiction thereof whether or not at the request of the Cooperative.

2. **Payment.** Member agrees to purchase and pay for electric service in accordance with Cooperative's tariff. Periodically, Cooperative will render to Member a statement of services rendered. Member agrees to pay the total amount shown on such statement within sixteen (16) days from its date. If the 16th day falls on a holiday or weekend, the due date will be the next work day. Payment shall be made to Cooperative at its offices in Hamilton, County, Texas.

3. **Term.** This Electric Service Agreement shall continue in force for an initial term of one (1) month from the date service is made available by the Cooperative to the Member. After the initial term, this agreement may be terminated by either party giving notice. (Explanation: The term of this agreement is for one (1) month and will continue until you have given us notice to terminate your service. The Cooperative can terminate your service only if you do not fulfill the terms of this agreement or the Cooperative's tariff which is understood to be a part of this agreement.)

4. **Breach.** Upon failure to make payment or perform any obligation under this Agreement the Cooperative shall have the right to discontinue service as well as such remedies as may be provided by law. The Cooperative's LIABILITY is LIMITED as provided in its Tariff.

5. **Member's Installation.** Member warrants that his or her installation (including all conductors, switches, equipment, wiring and protective devices of any kind) is constructed and will be maintained in accordance with the National Electrical Safety Code of the American Standards Association as well as applicable laws or ordinances.

6. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Member and Cooperative for the service herein described. Member agrees the Cooperative, its agents and employees, have made no representations, promises, or any inducements, written or verbal, which are not contained herein.

HAMILTON COUNTY ELECTRIC

MEMBER:

By: _____
Manager or Authorized Employee

Print or Type Name

Please sign and return:

Signature

Date

Line Extension Loan Agreement

This Line Extension Loan Agreement (“Agreement”) is entered into on the ____ day of _____, 2018 (“Effective Date”) by and between Hamilton County Electric Cooperative Association (“Lender”), a Texas electric cooperative corporation, and [] (“Borrower”), a Texas limited liability company, each individually may also be referred to herein as “Party” and collectively as “Parties”.

Recitals

WHEREAS, Borrower, as a Member of Lender as defined in Lender’s Bylaws, needs Lender to construct, operate and maintain a line extension of Lender’s electric facilities to real property owned by Borrower to deliver electric service to Borrower’s [(business, homestead or recreational land)] (“Line Extension”); and

WHEREAS, Borrower needs Lender to finance said Line Extension as provided in Lender’s Electric Tariff No. [], an option available to certain Members who satisfy the specified conditions stated therein; and

WHEREAS, Lender has (i) determined that Borrower has satisfied the conditions set forth in Lender’s Electric Tariff No. [] in order to enter into this Agreement; and (ii) approved of lending to Borrower to construct said Line Extension by Board Resolution dated [];

NOW THEREFORE, for and in consideration of the covenants, conditions and undertakings herein described, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto contract, covenant and agree to the above Recitals and the following:

I. The Loan

Subject to the terms and conditions of this Agreement, Lender will lend Borrower the total amount of One Hundred Twenty Thousand and No/100 Dollars (\$120,000.00) (“Original Principal Amount”) as a loan to finance construction of the Line Extension (referred to herein as the “Loan”), as represented by that certain promissory note executed by Borrower to Lender on [] (“Note”) in which Borrower agreed to pay the Note as set forth therein and secured by a [(letter of credit, surety bond or the like as approved by Cooperative)] Borrower obtained from [] Credit Union (“Credit Union”) on _____, 2018, to ensure payment for the total Original Principal Amount plus interest accrued thereon and any and all penalties and/or fees as provided in the Note [(“Letter of Credit”) or (“Surety Bond”), as approved by Cooperative)], as a supporting obligation to this Agreement, the Loan and the Note (collectively referred to herein as “Loan Documents”).

II. Clauses and Covenants

A. Conditions Precedent to Loan

The obligation of Lender to make the Loan is conditioned on the following:

- (1) Execution and delivery of the Loan Documents;
- (2) The accuracy, in all material respects, of all representations and warranties in the Loan Documents;
- (3) No default existing under the Loan Documents;
- (4) Payment of [] percent (___%) of the Original Principal Amount as a down payment for the Loan (“Down Payment”) and all expenses incurred by Lender, if any, in connection with the Loan Documents; and
- (5) Lender’s receipt, in a form acceptable to Lender, of the following:
 - a. Opinion of Borrower’s counsel as to Borrower’s authority to execute and deliver the Loan Documents; the enforceability of the Loan Documents; the nonusurious nature of the Loan [**include if applicable:** ; and the validity of Borrower’s organization];
 - b. Certification from Borrower’s authorized representative for any Borrower that is an entity attaching: (i) a copy of Borrower’s organizational documents; (ii) the approval of Borrower’s governing authority for the execution and delivery of the Loan Documents; and (iii) specimen signatures from all Borrower representatives authorized to execute the Loan Documents;
 - c. Certification from governmental authorities for any Borrower that is an entity confirming Borrower’s existence and Borrower’s account status with the Texas comptroller of public accounts;
 - d. Survey plat of the real property owned by Borrower to which the Line Extension will be made (“Real Property”);
 - e. [*Optional:* Environmental assessment of the Real Property;]
 - f. Financial statement on Borrower and financial statement on the Credit Union as additional security for this transaction; and
 - g. Proof of insurance required by the Loan Documents, if any, together with any and all other documents, instruments, and certificates as reasonably requested by Lender.

B. Borrower's Representations

To induce Lender to enter into this Agreement and to make the Loan, Borrower represents to Lender the following:

- (1) Borrower:
 - a. Has the power and authority needed to execute and deliver the Loan Documents and to perform Borrower's obligations under the Loan Documents;
 - b. Possesses any and all permits, registrations, approvals, consents, licenses, trademarks, trademark rights, trade names, trade name rights, and copyrights needed to conduct Borrower's business;
 - c. Was validly formed and exists under the laws of the State of Texas;
 - d. Is in good standing under the laws of the State of Texas and all other jurisdictions where the nature of Borrower's business makes qualification necessary; and
 - e. Is qualified to do business under the laws of the State of Texas and all other jurisdictions where the nature of Borrower's business makes qualification necessary.
- (2) The execution, delivery, and performance of the Loan Documents executed by Borrower have been duly authorized and do not and will not: (a) contravene or violate any legal requirement; (b) result in the breach of, or constitute a default under, any instrument to which Borrower is a party or by which any of Borrower's property may be bound or affected; or (c) result in a requirement to create any lien on any of Borrower's property that might inhibit Borrower from fulfilling its obligations in the Loan Documents;
- (3) The Loan Documents are legal, valid, and binding obligations of the Parties executing the same;
- (4) Borrower has good and indefeasible title to the Real Property and has good title to any and all person property located on the Real Property, free and clear of all liens except (a) as disclosed in the Loan Documents; (b) liens for ad valorem taxes, general and special assessments, and other governmental charges not yet due or payable; and (c) security interests granted to Lender;
- (5) Borrower's financial statements delivered to Lender fairly present the financial condition and the results of Borrower's operations as of the dates and for the periods indicated, and no material adverse change has occurred in the assets, liabilities, financial condition, or business of Borrower since the dates of the financial statements;

- (6) Borrower has no knowledge of any litigation or administrative claim, action, or proceeding, pending or threatened, against Borrower or directly involving the Loan Documents before or by any governmental authority that, if adversely determined, could have a material adverse effect on Borrower;
- (7) There is no outstanding adverse judgment, writ, order, injunction, award, or decree affecting Borrower or the Loan Documents;
- (8) Borrower is not in default under any agreement to which Borrower is bound or to which any of Borrower's business is subject that could have a material adverse effect on Borrower or the Loan Documents;
- (9) All information and documentation supplied to Lender and all statements made to Lender by or on behalf of Borrower are correct and complete in all material respects as of the date made;
- (10) Borrower has no knowledge of the Real Property being used for the production, release, or disposal of hazardous wastes or materials;
- (11) The Real Property is taxed and billed separately from any other property for ad valorem tax purposes;
- (12) No part of the Real Property is located within a flood zone;
- (13) Borrower's financial records have been prepared and maintained in accordance with good accounting practices consistently applied and reflect all moneys due or to become due from or to Borrower; and
- (14) Borrower has filed all required tax returns and paid all taxes shown thereon to be due, except those for which extensions have been obtained and those that are being contested in good faith and for which appropriate reserves have been established and disclosed in writing to Lender.

C. Affirmative Covenants

Borrower will do the following:

- (1) Apply all proceeds from the sale, collection, or other disposition of the Real Property to amounts owing on the Note unless the Loan Documents authorize an alternate use of the proceeds;
- (2) Comply with the Additional Loan Requirements;
- (3) Comply with the Financial Covenants;
- (4) Operate Borrower's business in accordance with all applicable legal requirements;

- (5) Keep at Borrower's address, or such other place as Lender may approve, accounts and records reflecting the operation of Borrower's business and copies of all written contracts, leases, and other instruments that affect the Loan Documents;
- (6) Prepare Borrower's financial records in compliance with good accounting practices consistently applied;
- (7) Permit Lender to examine and make copies of Borrower's books, records, contracts, leases, and other instruments at any reasonable time;
- (8) Deliver to Lender, at Lender's request from time to time, Borrower's tax returns and [audited/reviewed/compiled/internally prepared] financial statements of Borrower prepared in accordance with good accounting practices consistently applied, in detail reasonably satisfactory to Lender and certified to be true and correct by [**include if applicable:** the chief financial officer of] Borrower [**include if applicable:** and accompanied by an opinion of an independent certified public accountant];
- (9) Deliver to Lender, at Lender's request from time to time, financial statements of the Credit Union, prepared in accordance with good accounting practices consistently applied, in detail reasonably satisfactory to Lender and certified to be true and correct by [**include if applicable:** the chief financial officer of] Guarantor [**include if applicable:** and accompanied by an opinion of an independent certified public accountant];
- (10) Execute, acknowledge as required, and deliver to Lender, at Lender's request from time to time, at Borrower's expense, any document needed by Lender to: (a) correct any defect, error, omission, or ambiguity in the Loan Documents; (b) comply with Borrower's obligations under the Loan Documents; (c) make subject to and perfect the security interests of the Loan Documents any property intended to be covered thereby; and (d) protect, perfect, or preserve the security interests of the Loan Documents against third persons or make any recordings, file any notices, or obtain any consents requested by Lender in connection therewith;
- (11) Notify Lender promptly: (a) on acquiring knowledge of the occurrence of any event of default under the Loan Documents; (b) if any of Borrower's property is surrendered in satisfaction of a debt or obligation [**include if applicable:** or on acquiring knowledge that any of property and/or assets of the Credit Union was surrendered in satisfaction of a debt or obligation]; and (c) of any litigation, arbitration, mediation, or proceedings before any governmental agency that could have a material adverse effect on Borrower or the Loan Documents [**include if applicable:** or on acquiring knowledge of any litigation, arbitration, mediation, or proceedings before any governmental agency that could have a material adverse effect on the Credit Union];

- (12) Pay promptly on demand all expenses in connection with the following: (a) the negotiation, preparation, execution, filing, recording, rerecording, modification, and supplementation of the Loan Documents; (b) the collection of the Note; (c) the protection of any and all assets affected by the Loan Documents; (d) the collection, enforcement, sale, or other disposition of the said assets; and (e) the performance by Lender of any of Borrower's obligations under the Loan Documents;
- (13) Use the Note proceeds for the purposes permitted in this Agreement; and
- (14) Do all things necessary to preserve Borrower's existence, qualifications, rights, and franchises in all jurisdictions where Borrower does business.

D. Negative Covenants

Borrower will not do the following:

- (1) Use or allow the use of the any and all assets affected by the Loan Documents in any manner that: (a) constitutes a public or private nuisance; (b) makes void, voidable, or cancelable, or increases the premium of, any insurance required by the Loan Documents; or (c) lessens the value of said assets, other than as a result of ordinary wear and tear from the assets' intended use;
- (2) Purchase, acquire, or lease any property from, or sell, transfer, or lease any property to, any equity owner, manager, director, officer, agent, or employee of Borrower, or any person or entity controlled by, controlling, or under common control with Borrower, except on terms then customarily available between unrelated parties in substantially similar transactions;
- (3) Lend money to, or guarantee the payment or performance of any liability or obligation of, any person, except short-term loans to Borrower's employees that, in the aggregate, do not exceed \$[amount];
- (4) Materially change the nature of Borrower's business or enter into any business that is substantially different from Borrower's existing business;
- (5) Incur any indebtedness other than the Note, except short-term indebtedness to trade creditors incurred in the ordinary course of Borrower's business that, in the aggregate, does not exceed \$[amount];
- (6) Create or permit any mortgage, security interest, or lien on the Real Property other than mortgages, security interests, or liens existing at the date of this Agreement and disclosed to Lender or created pursuant to the Loan Documents;

- (7) Purchase or redeem any of Borrower's ownership interests, declare or pay any dividends, or make any distribution to the holders of any of Borrower's ownership interests (to the extent Borrower is an entity); and
- (8) Sell, transfer, convey, or lease the Real Property except for sales in the ordinary course of business and on the conditions provided in the Loan Documents; or
- (9) Acquire all or substantially all of the assets or ownership interests of any third party; or
- (10) Liquidate or dissolve, or become a party to any merger or consolidation.

E. Default and Remedies

- (1) A default exists if the following occurs:
 - a. Borrower fails to timely pay the Note;
 - b. A Party fails to perform any obligation or covenant in any of the Loan Documents;
 - c. Any representation made by a Party in any of the Loan Documents is false in any material respect when made;
 - d. A receiver is appointed for any Party executing any of the Loan Documents, or for any of the assets of a Party affected by the Loan Documents;
 - e. Any of the Loan Documents is assigned for the benefit of creditors;
 - f. A bankruptcy or insolvency proceeding is commenced by a Party executing any of the Loan Documents;
 - g. A bankruptcy or insolvency proceeding is commenced against a Party executing any of the Loan Documents, and the proceeding continues without dismissal for sixty (60) days, the Party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered;
 - h. Any of the following Parties is terminated, begins to wind up its affairs, is authorized by its governing body or persons to terminate or wind up its affairs, or any event occurs or condition exists that permits the termination or winding up of the affairs of any of the following parties: (i) Borrower; (ii) a partnership of which Borrower is a general partner; (iii) any other obligated Party executing any of the Loan Documents; or

- i. Any of Borrower's assets affected by the Loan Documents and/or the Real Property is impaired by uninsured loss, theft, damage, or destruction, or by levy and execution, or by issuance of an official writ or order of seizure, unless it is promptly replaced with collateral of like kind and quality or restored to its former condition.
- (2) If a default exists, Lender may do the following:
 - a. Declare the unpaid principal balance, earned interest, and any other amounts owed on the Note immediately due; and
 - b. Exercise against Borrower and any other Party executing the Loan Documents any rights and remedies available to Lender under the Loan Documents.
 - (3) Notwithstanding any other provision in the Loan Documents, in the event of a default, before exercising any of Lender's remedies under the Loan Documents, Lender will first give Borrower notice of default and Borrower will have ten (10) days after delivery of notice in which to cure the default. If the default is not cured within ten (10) days after notice is delivered, Borrower, the Credit Union, and any other surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

F. General Provisions

- (1) Any notice required or permitted under this Agreement must be in writing. Any notice required by this Agreement will be deemed to be given (whether received or not) the earlier of receipt or three (3) business days after being deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address provided in this Agreement. Notice may also be given by regular mail, personal delivery, courier delivery, or e-mail and will be effective when received. Any address for notice may be changed by notice given as provided herein.
- (2) The Loan Documents, including any of their exhibits and attachments, constitute the entire agreement of the Parties. There are no representations, agreements, or promises by Lender pertaining to the Loan that are not in the Loan Documents.
- (3) This Agreement may be amended only by an instrument in writing signed by the Parties.
- (4) Borrower may not assign this Agreement or any of Borrower's rights under it without Lender's prior written consent, and any attempted

assignment is void. This Agreement binds, benefits, and may be enforced by the Parties and its successors in interest.

- (5) Borrower authorizes Lender to charge any amount due Lender under the Loan Documents against any of Borrower's deposit accounts with Lender.
- (6) Except as otherwise provided in the Loan Documents, Borrower waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.
- (7) No remedy, right, or power conferred on Lender in this Agreement is intended to be exclusive of any other remedy, right, or power now or hereafter existing at law, in equity, or otherwise, and all remedies, rights, and powers are cumulative.
- (8) This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. This Agreement is to be performed where the Note is payable.
- (9) Interest on the Note will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the Note or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the Note or, if the principal of the Note has been paid, refunded. This provision overrides any conflicting provisions in this and all other Loan Documents.
- (10) It is not a waiver of default if the non-defaulting Party fails to declare immediately a default or delays taking any action. Pursuit of any remedies set forth in this Agreement does not preclude pursuit of other remedies in the other Loan Documents or provided by law.
- (11) There are no third-party beneficiaries of this Agreement.
- (12) If any provision of this Agreement is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.
- (13) The rule of construction that ambiguities in a document will be construed against the Party who drafted it will not be applied in interpreting this Agreement.
- (14) The Parties' relationship is an ordinary commercial relationship, and the Parties do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship. Lender in

exercising Lender's rights and performing Lender's obligations under the Loan Documents owes no fiduciary duty to Borrower.

- (15) If this Agreement is executed in multiple counterparts, all counterparts taken together will constitute this Agreement.
- (16) If Lender agrees to waive or defer any of the requirements of this Agreement as a condition precedent to the advance of the proceeds of the Note, Borrower will provide any deferred information or documentation within thirty (30) days after the advance.
- (17) In the event of any conflict among the provisions of this Agreement and any of the Loan Documents, the more restrictive provision will control.
- (18) When the context requires, singular nouns and pronouns include the plural.
- (19) The term *Note* includes all extensions and renewals of the Note.

III. Notice

Notice to the Parties are set forth in the Loan Documents shall be [] as follows:

Borrower:

[ENTITY NAME ,if applicable]

[ATTN: TITLE, if applicable]

Address:

Phone:

Fax:

Email:

Lender:

Hamilton County Electric Cooperative Association

ATTN: CEO / General Manager, Steve Young (or successor)

P. O. Box 753

Hamilton 76531

Phone: (254) 386-3123

Fax:

Email: steve.young@hamiltonelectric.coop

[(Credit Union or Insurance Company)]

[NAME OF CREDIT UNION PROVIDING LETTER OF CREDIT or INS. CO.
ISSUING SURETY BOND]

ATTN: [Contact Name and title]

Mailing address:

Phone:

Fax:

E-mail:

THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Signed on [date].

[Name of borrower]

[Name of lender]

Attach insurance rider if applicable.

Promissory Note

Date: _____, 2018 (“Effective Date”)

Borrower: _____ [NAME],
[a Texas ENTITY TYPE or LEAVE BLANK]

Borrower’s Mailing Address:

Lender: Hamilton County Electric Cooperative Association,
a Texas electric cooperative corporation

Place for Payment: Lender’s Headquarters
P. O. Box 753, Hamilton 76531

Principal Amount: _____ and No/100 Dollars (\$_____.00)

Annual Interest Rate: _____ Percent (0.____%)

Maturity Date: On or before [] [CALCULATE 10 Years from the Effective Date]

Annual Interest Rate on Matured, Unpaid Amounts: [INSERT RATE, IF ANY]

Terms of Payment (principal and interest):

The Principal Amount and interest are due and payable in equal monthly installments of [AMOUNT] Dollars (\$[AMOUNT]), on the [SPECIFY] day of each month, beginning [DATE] and continuing until the unpaid principal and accrued, unpaid interest have been paid in full on or before the Maturity Date. Payments will be applied first to accrued interest and the remainder to reduction of the Principal Amount.

Security for Payment:

This note is the Promissory Note (referred to herein as “Note”) as defined in and required by [SPECIFY PROVISION] of the loan agreement titled, Line Extension Loan Agreement (“Loan Agreement”) executed between Borrower and Lender of the same date as the Note.

Other Security for Payment:

This Note is secured by a [LETTER OF CREDIT or SURETY BOND, or the like] executed by Borrower to [NAME OF BANK or SURETY, or the like], as required by [SPECIFY PROVISION] of the Loan Agreement.

Promise to Pay

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This Note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either

when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

Defaults and Remedies

A default exists under this Note if (i) Borrower defaults in the payment of this Note or in the performance of any obligation in any instrument securing or collateral to this Note; (ii) (a) Borrower or (b) any other person liable on any part of this Note, including, but not limited to, [THE CREDITOR'S UNION, BANK, or SURETY TO THE SURETY BOND] referenced herein (an "Other Obligated Party") fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower or any Other Obligated Party other than as described in (i) above; (iii) any representation in this note or in any other written agreement between Lender and Borrower or any Other Obligated Party is materially false when made; (iv) a receiver is appointed for Borrower or an Other Obligated Party or any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this note; (v) any Collateral Security is assigned for the benefit of creditors; (vi) a bankruptcy or insolvency proceeding is commenced by Borrower or an Other Obligated Party; (vii) (a) a bankruptcy or insolvency proceeding is commenced against Borrower or an Other Obligated Party and (b) the proceeding continues without dismissal for sixty (60) days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (viii) Borrower or an Other Obligated Party is terminated, begins to wind up its affairs, or is authorized to terminate or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the termination or winding up of the affairs of Borrower or an Other Obligated Party; or (ix) any Collateral Security is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral security of like kind and quality or restored to its former condition.

Upon the occurrence of a default under this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due, and may exercise all other rights and remedies available at law or in equity.

Waivers

Borrower and each surety, endorser, and guarantor waive, to the extent permitted by law, all of the following: (i) demand for payment; (ii) presentation for payment; (iii) notice of intention to accelerate maturity; (iv) notice of acceleration of maturity; (v) protest; (vi) notice of protest, if applicable; (vii) rights under sections 51.003, 51.004, and 51.005 of the Texas Property Code, if applicable; (viii) rights under section 17.001 and chapter 43 of the Texas Civil Practice and Remedies Code, if applicable; and (ix) rule 31 of the Texas Rules of Civil Procedure, if applicable.

Attorney’s Fees

Borrower also promises to pay reasonable attorney’s fees and court and other costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Usury Savings

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Other Clauses

Each Borrower is responsible for all obligations represented by this note.

When the context requires, singular nouns and pronouns include the plural.

BORROWER

[ENTITY NAME, if applicable]

By: _____
[NAME, TITLE, if applicable]

LENDER

Hamilton County Electric Cooperative Association

By: _____
Steve Young, CEO / General Manager