

MEDINA ELECTRIC COOPERATIVE, INC.

RETAIL TARIFF

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – January 12, 2006
Section 1 – Statement of Operations

PURPOSE. This tariff has been authorized by the Board of Directors of Medina Electric Cooperative, Inc. for the purpose of responsible presentation of conditions for electric service, rate schedules, and policies regarding extension of service, and to establish the rights and responsibilities of both the Cooperative and the customer. This tariff shall be applied uniformly regardless of race, color, creed, sex, veteran, handicap, or marital status.

In the case of conflict of any portion of this tariff and the rules and regulations of the Public Utility Commission of Texas, the rules and regulations of the Commission shall apply in those portions of the tariff which the Commission retains jurisdiction.

Copies of this tariff shall be available to customers at the Cooperatives district offices in Hondo, Dilley, Rio Grande City, Bruni sub-office, and Uvalde.

SCOPE. Medina Electric Cooperative, Inc. is an electric cooperative corporation whose general office is in Hondo, Texas. The Cooperative serves over 26,000 meters in Southwest Texas. The Cooperative receives power through its membership in South Texas Electric Cooperative located in Nursery, Texas. Power for the Cooperative system is generated primarily at the San Miguel Power Plant. Other power sources include Amistad-Falcon Hydro-electric plants, Pearsall Power Plant and facilities located in Nursery Texas. To provide for economic interchange of power and continuity of service, the Cooperatives transmission system is interconnected with neighboring Utilities (ERCOT).

**Medina Electric Cooperative, Inc.
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Board Approval – March 14, 2002
Section 2 – Service Area**

COUNTIES. Medina Electric Cooperative, Inc. serves rural areas of seventeen southwest Texas counties. The Cooperative serves no incorporated city. Counties in the service area of the Cooperative include:

Atascosa
Brooks
Dimmit
Duval
Edwards
Frio
Jim Hogg
Kinney
LaSalle
McMullen
Medina
Real
Starr
Uvalde
Webb
Zapata
Zavala

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Section 3 – Definitions

Applicant. A person requesting electric service from the Cooperative in the manner prescribed in the Cooperatives service rules and regulations.

Class of Service. A description of Cooperative service provided to a customer which denotes such characteristics as nature of use or type of rate. Classes may be further subdivided into grades denoting quality of service.

Commission. The Texas Public Utility Commission.

Cooperative. Medina Electric Cooperative, Incorporated.

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

Customer. Any person having a contract with the Cooperative for the provision of electric service.

Customer's Installation. All conductor, equipment, buildings, structures, or apparatus of any kind on customer's side of point of delivery, excepting Cooperative's metering equipment only.

Meter. A device, or devices, together with auxiliary equipment, for measuring electric energy usage and/or demand and/or other data.

Permanent Installation. Any installation that is constructed or placed on and permanently affixed to a foundation, and which is, or will be, used or occupied on a permanent, full-time basis. A manufactured home or prefabricated structure will qualify as a permanent installation only if it is installed on a foundation system according to the regulations of the Texas Department of Labor and Standards or if it is otherwise impractical to move and has the wheels, axles, and hitch or towing device removed and if it is connected to a permanent water and sewer system.

Point at Delivery. The point where the cooperative's conductor is connected to the customer's conductor.

Premises. Any tract of land or real estate including buildings and other appurtenances thereon.

Rate Schedules. Any schedule of rates contained in Section 5 of this Tariff. Some rates, primarily relating to transmission service, are subject to regulation by the Public Utility Commission of Texas.

Regulatory Authority. The Public Utility Commission of Texas.

Service Rules & Regulations. Any service rule or regulation of the Cooperative contained in this Tariff. Some service rules and regulations are subject to approval by the Public Utility Commission of Texas or the Electric Reliability Council of Texas.

Service Area. The area or territory in which the Cooperative provides electric service as contained in Section 3 of this Tariff.

Service. Service is used in these rules in its broadest and most inclusive sense and includes any and all acts done, rendered, or performed and any and all things furnished or supplied, and any and all facilities used, furnished, or supplied by public utilities in the performance of their duties to their patrons, employees, other public utilities and the public, as well as the interchange of facilities between two or more of them.

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Section 3 – Definitions

Tariff. The schedule of the Cooperative containing all rates and charges stated separately by type or kind of service and the customer class, and the rules and regulations of the Cooperative stated separately by type or kind of service and the customer class.

Residential Subdivision. Property being developed for the purpose of selling individual tracts where: average tract size is less than 2 acres or proposed development consists of 5 or more tracts.

Mobile Home Park. Property being developed for the purpose of selling, leasing or renting lots for placement of single, double or triple-wide mobile homes or manufactured homes where proposed development consists of 3 or more lots.

Medina Electric Cooperative, Inc.
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Board Approval – August 23, 2016
Effective Date – April 1, 2017
Section 4 – Rates

Rate GS - GENERAL SERVICE

Sheet 1 of 1

Availability. Available to customers for all residential and general service uses within the cooperative's service area, in accordance with the cooperative's rules and regulations.

Type of Service. Single or three phase, 60 cycles, at the Cooperative's standard secondary voltages.

Rate.

Customer Service Charge	\$ 29.00 per meter per month
Capacity Charge	\$1.50 per kVA for transformer capacity in excess of 15 KVA
Energy Charge	\$ 0.108347 per kWh for all kWh

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment schedule.

Minimum Monthly Charge. The minimum monthly charge will be the highest one of the following charges as determined for the customer:

1. The Customer Service Charge.
2. The minimum monthly charge specified in the Electric Service Agreement.

Power Cost Adjustment charges are not considered in the minimum bill calculation.

Determination of Installed kVA. The installed kVA will be the sum of the nameplate rating on the transformers provided at the customer's point of delivery. Each transformer will be installed according to standard engineering practices sized to the closest standard size installed by the cooperative which is sufficient to provide the service required. If at the convenience of the cooperative, larger transformers are provided, the required kVA for billing purposes will be the closest standard kVA size which would provide the requested service regardless of the actual size installed.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule]

**Medina Electric Cooperative, Inc.
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Board Approval – November 22, 2016
Section 4 – Rates**

Rate I - IRRIGATION SERVICE

Sheet 1 of 2

Availability. Available to customers for pump irrigation and municipal pumping service, within the Cooperative's service area, according to the Cooperative's rules and regulations.

Load Management Program. In an effort to reduce power costs, the Cooperative offers reduced horsepower and energy charges to irrigation customers electing to participate in load management for which participants agree to allow total control of their irrigation load during peaking periods. The Cooperative agrees to exercise load control with as little inconvenience to the customer as possible and only when necessary to achieve predetermined cost savings.

Types of Service. Three phase, 60 cycles, at the Cooperative's standard secondary voltages. At the discretion of the Cooperative, single-phase service may be furnished at locations where three-phase service is not available provided the motor capacity is not in excess of ten horsepower. Service to single-phase motors larger than ten horsepower may be considered at the discretion of the Cooperative by performing an engineering analysis at the requesting member's expense. This analysis would determine the maximum allowable horsepower for the existing system and the associated maximum allowable starting current. If the Cooperative consents to providing service to a single-phase motor larger than ten horsepower, the member would then be required to install the necessary equipment to limit starting current before operating such motor. Motors supplied by single-phase to three-phase converters are considered as being single-phase loads.

Rate

	Load Management Service	Non-Load Management Service
Customer Service Charge per connection per year	\$300.00	\$300.00
Annual Horsepower Charge, per HP per year	\$16.20	\$28.20
Energy Charge, per kWh		
First 150 kWh per billing HP per month	\$0.106903	\$0.125293
Next 150 kWh per billing HP per month	\$0.070293	\$0.075793
Over 300 kWh per billing HP per month	\$0.060293	\$0.060293

Consumers connecting or receiving service prior to the ERCOT peak months of June, July, August and September will be billed the annual customer charge and annual horsepower charge. Consumers will be allowed to pay the annual charges in monthly installments over the remaining months in the calendar year. Consumers disconnecting prior to the ERCOT peak months will not be required to pay the remaining amount of the annual charges. Consumers connecting or receiving service after the ERCOT peak months will be required to pay the prorated annual charges over the remaining months in the calendar year. Consumers connecting or receiving service during the peak months will be required to pay the annual charges over the remaining months of the year.

Determination of Billing Horsepower. The horsepower for billing purposes shall be the motor manufacturer's nameplate rating except that if the Cooperative so elects it shall be determined by actual measurements of power input during a period of maximum normal use.

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment Factor Tariff.

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Rate I - IRRIGATION SERVICE

Sheet 2 of 2

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customer:

1. The Horsepower Charge plus the Customer Service Charge as specified in the above rate (if billed monthly);
2. The minimum monthly charge specified in the Electric Service Agreement;

Terms of Payment. In the event the current monthly bill is not paid with 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule]

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – July 9, 2009
Section 4 – Rates

Rate SC – SMALL COMMERCIAL RATE

Sheet 1 of 1

Availability. Available to customers for commercial, industrial, and commercial farm service for all uses requiring 50 kVA or less including lighting, heating, and power, within the cooperative's service area, in accordance with the cooperative's rules and regulations.

Type of Service. Single or three phase, 60 cycles, at the cooperative's standard secondary voltages.

Rate.

Customer Service Charge	\$ 25.00 per meter per month
Capacity Charge	\$ 1.50 per kVA of required kVA
Energy Charge	\$ 0.095881 per kWh for all kWh

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment tariff.

Temporary Service. Temporary service such as to construction locations, shall be supplied in accordance with the foregoing rate except that the customer shall pay in addition to the foregoing charges, the total cost of connecting and disconnecting service less the value of materials returned to stock. A deposit, in advance, may be required of the full amount of the estimated bill for service including the cost of connection and disconnection.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customer:

1. Customer Service Charge plus Capacity Charge
2. The minimum monthly charge specified in the Electric Service Agreement;

Minimum Annual Charge for Seasonal Service. Customers requiring service only during certain seasons, not exceeding nine months per year, the cooperative requires a guaranteed minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the customer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule]

Medina Electric Cooperative, Inc.
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Board Approval – July 9, 2009
Section 4 – Rates

Rate LC – LARGE COMMERCIAL

Sheet 1 of 2

Availability. Available to customers for large power and petroleum services excluding reciprocating pump for all types of electric service usage for loads in excess of 50 kVA, within the Cooperative's service area, subject to the Cooperative's rules and regulations.

Type of Service. Single or Three phase, 60 cycles, at the Cooperative's standard primary or secondary voltages.

Customer Service Charge	\$ 75.00 per meter per month
Demand Charge	\$ 4.50 per Billing kW for all kW, but not less than \$ 225.00 per month
Energy Charge	\$ 0.105973 per kWh for the First 200 kWh per billing kW \$ 0.070973 per kWh for the Next 200 kWh per billing kW \$ 0.060973 per kWh for Excess kWh

Determination of Billing Demand. Billing demand will be the highest of the following:

1. 50 kW;
2. Metered demand;
3. 75% of the highest metered demand established during the month of June, July, August or September.

The metered demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during a billing period as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter.

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment tariff.

Power Factor Adjustment. The customer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factors lower than 90% lagging and may be so adjusted for other customers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand to an equivalent demand that would yield a 90% power factor.

Service at Primary Voltage. If service is furnished at primary distribution voltage, a discount of 3% will be applied to the demand and energy charges. For customers who desire to rent rather than own the transformers or any other equipment to receive the primary voltage service discount, the Cooperative will install and maintain the transformers / equipment for a rental charge based on cost.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customers:

1. The Customer Service Charge plus Demand charge;
2. The minimum monthly charge specified in the Electric Service Agreement.

Minimum Annual Charge for Seasonal Service. Customers requiring service only during certain seasons, not exceeding nine months per year, the Cooperative requires a guaranteed minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to assure adequate compensation for the facilities installed to serve the customer, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph.

Medina Electric Cooperative, Inc.
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Rate LC – LARGE COMMERCIAL

Sheet 2 of 2

Minimum Term of Rate Applicability. The minimum term which this rate shall be applied, upon selection by the customer, is 24 months.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule].

Medina Electric Cooperative, Inc.
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Board Approval – July 9, 2009
Section 4 – Rates

Rate PJ - RECIPROCATING PUMP (PUMP JACK)

Sheet 1 of 1

Availability. Available to customers for petroleum reciprocating pump (pump jack) services located on or near the Cooperative's lines for electric service usage for loads in oil field pumping.

Type of Service. Single and three phase, 60 cycles, at the Cooperatives standard primary or secondary voltages.

Rate

Customer Service Charge

\$ 30.00 per meter per month for single-phase service
\$ 60.00 per meter per month for three-phase service

Demand Charge

\$ 4.75 per Billing kW for all Billing kW

Energy Charge

\$ 0.119559 per kWh for the First 200 kWh per billing kW
\$ 0.079559 per kWh for the Next 200 kWh per billing kW
\$ 0.067059 per kWh for Excess kWh

Determination of Billing Demand. The billing demand shall be the maximum kilowatt demand established by the customer for any period of 15 consecutive minutes during the month for which the bill is rendered, as indicated or recorded a demand meter and adjusted for power factor as provided hereafter. The billing demand may also be determined by totaling the connected horsepower and multiplying by 0.746 with allowance for Power Factor Adjustment in accordance with the Power Factor Adjustment clause of this schedule.

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms or the Power Cost Adjustment tariff.

Power Factor Adjustment. The customer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factors lower than 90% lagging and may be so adjusted for other customers at and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand to an equivalent demand that would yield a 90% power factor.

Service at Primary Voltage. If service is furnished at primary distribution voltage, a discount of 3% will apply to the Demand and Energy Charges.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customer:

1. Customer Service Charge plus the Demand Charge
2. \$1.50 per kVA of required transformer capacity;
3. The minimum monthly charge specified in the Electric Service Agreement for purchase of power.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule]

Medina Electric Cooperative, Inc.
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Rate MVL - MERCURY VAPOR LIGHTING

Sheet 1 of 1

Availability. Effective August 1, 2004, only existing Consumer's taking service under this rate schedule will be allowed to continue. This rate schedule will not be available for new services.

Replacement.

Upon failure of an installed mercury vapor fixture or bulb, the fixture will be replaced with the standard security light fixture as indicated on rate LGHT (lighting). If a Consumer desires to switch from an existing operational mercury vapor fixture to the standard security light as indicated on rate LGHT, the Consumer must execute a new Security Light Agreement with a term of at least 1 year. The Cooperative will not charge a Trip Fee (see Interest Rate and Fee Schedule) if the Cooperative can schedule the replacement of the existing operational mercury vapor fixture at the Cooperative's convenience. The Cooperative will charge a Trip Fee (see Interest Rate and Fee Schedule) if the Consumer requests the replacement of an existing operational mercury vapor fixture prior to the Cooperative's scheduled date.

Type of Service.

Single phase, 60 cycles, at the Cooperative's standard secondary voltage.

Monthly Rate.

\$12.00 per month per 175-Watt Mercury Vapor Light, 90 kWh per month
\$ 1.40 per month for first new pole required
\$ 0.85 per month per additional pole required
\$ 2.00 per month per additional transformer required.

The transformer monthly rental charge will not be required if the security light is connected to an existing, energized transformer serving an active service.

Power Cost Adjustment.

The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment Tariff. Power Cost Adjustments will be based kWh per lamp shown above.

Terms of Payment.

In the event the current monthly bill is not paid within sixteen (16) days from date of bill, said bill will become delinquent and a fee will be applied (see Interest Rate and Fee Schedule).

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Board Approval – February 11, 2010
Section 4 – Rates

Rate GR – GENERATION RESOURCE STANDBY AND AUXILIARY SERVICE Sheet 2 of 2

- (2) The Cooperative shall not be responsible for the purchase of any power generated by the customer.
- (3) Customer shall be responsible for all termination fees, penalties, and any other costs incurred by the Cooperative associated with the power supply for service to the customer.
- (4) Customer shall be responsible for all costs incurred by the Cooperative in arranging for special wholesale power supply on behalf of the customer.
- (5) The customer will be subject to all transmission-related cost responsibility incurred by the Cooperative directly associated with providing service to the customer, even if such cost recovery should occur after the customer has terminated service. To the extent that such cost is not included in the Monthly Rate, customer shall be responsible for the incremental transmission cost.
- (6) This rate schedule may be changed by order or consent of regulatory authorities having jurisdiction, or by the Cooperative's board of directors in accordance with applicable laws.
- (7) All other conditions of service hereunder are subject to the Cooperative's tariff for electric service.

Medina Electric Cooperative, Inc.
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Board Approval – December 10, 2009
Section 4 – Rates

Rate CG – Cotton Gin

Sheet 1 of 2

Availability. Available to customers for Cotton Gin facilities in excess of 50 kVA, within the Cooperative's service area, subject to the Cooperative's rules and regulations.

Type of Services. Single or Three phase, 60 cycles, at the Cooperative's standard primary or secondary voltages.

Rate.

Customer Service Charge	\$100.00 per meter per month
NCP Demand Charge	\$ 5.12 per NCP Billing kW per month
On-Peak Demand Charge	\$11.50 per On-Peak Billing kW per month
Energy Charge	\$0.058535 per kWh for all kWh

Determination of NCP Billing Demand

The metered demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during a billing period as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter, but not less than 50 kW.

Determination of On-Peak Billing Demand.

During the months of June, July, August, and September, the maximum kilowatt demand metered kW established by the customer for any period of fifteen (15) consecutive minutes as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter during the designated peak hours of 3:00 p.m. to 6:00 p.m. The designated hours may be adjusted by the Cooperative from time to time upon 30 days written notice to the customer.

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment tariff.

Power Factor Adjustment. The customer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factors lower than 90% lagging and may be so adjusted for other customers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand to an equivalent demand that would yield a 90% power factor.

Service at Primary Voltage. If service is furnished at primary distribution voltage, a discount of 3% will apply to demand and energy charges. For customers who desire to rent rather than own the transformers or any other equipment to receive the primary voltage service discount, the Cooperative will install and maintain the transformers / equipment for a rental charge based on cost.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customer:

1. The Customer Service Charge plus the NCP Demand Charge;
2. The minimum monthly charge specified in the Electric Service Agreement.

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – December 10, 2009
Section 4 – Rates

Rate CG – Cotton Gin

Sheet 2 of 2

Minimum Term of Rate Applicability. The minimum term, which this rate shall be applied, upon selection by the customer, is 24 months.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Interest Rate and Fee Schedule]

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – July 9, 2009
Section 4 – Rates
PCA - Power Cost Adjustment Factor (PCA)

Sheet 1 of 1

The Cooperative shall adjust all bills in accordance with the following adjustments:

The monthly charges for all Members other than those served under rate schedules providing for the direct recovery of power cost charges or credits shall be increased or decreased on a uniform per-kWh basis computed monthly as follows:

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

Where:

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

A = Total estimated power cost (excluding credits or purchases from all suppliers that are applied directly to particular Members) from all suppliers including fuel for the billing period.

B = Total estimated power cost (excluding credits or purchases from all suppliers that are applied directly to particular Members) from all suppliers including fuel which are included in the Cooperative's base rates. The base power cost is computed as:

$$B = (D)(\text{kWhs})$$

D = Base power cost in \$/kWh sold of \$0.085416

kWhs = Total estimated energy sales for billing period (excluding kWh sales associated with direct recovery of power cost charges or credits).

C = Adjustment to be applied to the current monthly billing to account for differences in actual power costs and actual PCA revenues recovered in previous periods.

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – October 21, 2013
Section 4 – Rates

BPP – AVG (Budget Payment Plan - Average Monthly Payment)

Availability.

- A. Available to non-commercial Customers on the General Service Rate (GS) for all residential and general service uses within the Cooperative's service area, in accordance with the Cooperative's rules and regulations.
- B. Customer must have a minimum of 12 (twelve) months billing history with Cooperative. Based on the credit history indicated on the billing records of the Cooperative for the Customer's account requesting the Budget Payment Plan, the Customer must meet the following criteria:
 - 1. Customer's account must be paid in full.
 - 2. Execute a Budget Payment Plan Agreement.
- C. Budget Payment Plan will continue in effect until the Customer notifies the Cooperative or the plan is canceled under the conditions outlined under Discontinuation of Plan.
- D. For Customers 65 years of age and older, special consideration will be given.
- E. If a Customer breaches a provision of a Budget Payment Plan and the plan is terminated for such, the Customer will not be eligible for participation in any Budget Payment Plan with the Cooperative for a period of 1 (one) calendar year from the relevant termination date.

Determination of Average Monthly Payment. The Customer's kWh usage history indicated on the billing records of the Cooperative for the Customer's account requesting the Budget Payment Plan will be used to calculate the Average Monthly Payment. On a monthly basis the Customer's current usage will be calculated based on the current reading. The current usage will be added to the previous 11 (eleven) months usage and divided by 12 (twelve) to calculate the Average Monthly Payment for the current month. On a monthly basis the Customer's bill will indicate the actual usage for the month, accumulated over/under recovery for the account (Previous Balance) and the Average Monthly Payment amount due (Budget Amount Due).

Billing Procedures. The Customer will be billed monthly and a monthly meter reading will be required. All other billing procedures apply. All amounts due under this Budget Payment Plan shall be paid by Customer when due in accordance with the Cooperative's standard billing practices.

Late Payment. Payments are due upon issuance of each month's bill and is to be paid no later than 16 (sixteen) days after issuance, or if such day falls on a weekend or holiday, by the next business day. If payment is not received by the due date, a late payment fee will be charged to the account based on the Budget Amount Due and the Cooperative has the right to: (i) declare the total amount owed to the Cooperative according to actual electric usage immediately due and payable, (ii) terminate this Agreement, and/or (iii) initiate its normal collection activities.

Contract Limitations. The account entering into this plan shall be limited to Customers with membership in their name taking service under the Cooperative's General Service Tariff. Customer must have received service in their name for the previous 12 (twelve) months.

Statement Balance. Each Customer's account must have a zero (\$ 0.00) balance before a Budget Payment Plan can begin.

Medina Electric Cooperative, Inc.
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Board Approval – October 21, 2013
Section 4 – Rates
BPP – AVG (Budget Payment Plan - Average Monthly Payment)

Discontinuation of Plan. This plan may be discontinued by either the Customer or the Cooperative upon 10 (ten) days written notice. If the Customer moves, or if electric service is discontinued for any other reason, the total amount owed to the Cooperative according to actual electric usage shall become due and payable immediately. The Cooperative shall refund any over-recovered amounts to Customers upon termination of service to the Customer.

Medina Electric Cooperative, Inc.
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BPP – LVLCO (Budget Payment Plan – Levelized Monthly Payment carry-over)

Availability.

- A. Available to non-commercial Customers on the General Service Rate (GS) for all residential and general service uses within the Cooperative's service area, in accordance with the Cooperative's rules and regulations.
- B. Customer must have a minimum of 12 (twelve) months billing history with Cooperative. Based on the credit history indicated on the billing records of the Cooperative for the Customer's account requesting the Budget Payment Plan, the Customer must meet the following criteria:
 1. Customer's account must be paid in full.
 2. Execute a Budget Payment Plan Agreement.
- C. Budget Payment Plan will continue in effect until the Customer notifies the Cooperative or the plan is canceled under the conditions outlined under Discontinuation of Plan.
- D. For Customers 65 years of age and older, special consideration will be given.
- E. If a Customer breaches a provision of a Budget Payment Plan and the plan is terminated for such, the Customer will not be eligible for participation in any Budget Payment Plan with the Cooperative for a period of 1 (one) calendar year from the relevant termination date.

Determination of Levelized Payment Amount. The Customer's kWh usage history indicated on the billing records of the Cooperative for the Customer's account requesting the Budget Payment Plan will be used to calculate the Levelized Payment. The preceding 12 (twelve) months usage and charges will be totaled and divided by 12 (twelve) to determine the monthly levelized kWh usage and monthly levelized charge per month. The monthly levelized charge will be used as the Levelized Payment for the following 12 (twelve) months. The monthly levelized kWh usage will be charged to the Customer's account per month for the following 12 (twelve) months. On a monthly basis the Customer's bill will indicate the actual usage for the month, accumulated over/under recovery for the account (Previous Balance) and the Levelized Monthly Payment amount due (Budget Amount Due). The Customer's account on this payment plan will be settled as described below. See Item "Carry-over Calculation".

Billing Procedures. The Customer will be billed monthly and a monthly meter reading will be required. All other billing procedures apply. All amounts due under this Budget Payment Plan shall be paid by Customer when due in accordance with the Cooperative's standard billing practices.

Late Payment. Payments are due upon issuance of each month's bill and is to be paid no later than 16 (sixteen) days after issuance, or if such day falls on a weekend or holiday, by the next business day. If payment is not received by the due date, a late payment fee will be charged to the account based on the Budget Amount Due and the Cooperative has the right to: (i) declare the total amount owed to the Cooperative according to actual electric usage immediately due and payable, (ii) terminate this Agreement, and/or (iii) initiate its normal collection activities.

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BPP – LVLCO (Budget Payment Plan – Levelized Monthly Payment carry-over)
continued

Discontinuation of Plan. This plan may be discontinued by either the Customer or the Cooperative upon 10 (ten) days written notice. If the Customer moves, or if electric service is discontinued for any other reason, the total amount owed to the Cooperative according to actual electric usage shall become due and payable immediately. The Cooperative shall refund any over-recovered amounts to Customers upon termination of service to the Customer.

Contract Limitations. The account entering into this plan shall be limited to Customers with membership in their name taking service under the Cooperative's General Service Tariff. Customer must have received service in their name for the previous 12 (twelve) months.

Statement Balance. Each Customer's account must have a zero (\$ 0.00) balance before a Budget Payment Plan can begin.

Carry-over Calculation. In order to determine the new budget payment amount, 12 (twelve) months from the date of the first billing of the plan or last carry-over calculation, a carry-over calculation will be made as follows:

- A. Over recovery - Customer's total monthly levelized payments for the preceding 11 (eleven) months are greater than actual charges for the preceding 11 (eleven) months based on current meter readings.
- B. Under recovery - Customer's total monthly levelized payments for the preceding 11 (eleven) months are less than actual charges for the preceding 11 (eleven) months based on current meter readings.
- C. Carry-over – The accumulated over/under recovery for the preceding 11 (eleven) months will be added to the most recent 11 (eleven) months charges and divided by 12 (twelve) to determine the new levelized payment.
- D. Interest will not accrue on over/under recovery under this payment plan.

Medina Electric Cooperative, Inc.
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Board Approval – October 21, 2013
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BPP – LVLSU (Budget Payment Plan – Levelized Monthly Payment Settle-up)

No Longer Available Per Board Action effective March 1, 2013

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – August 23, 2016
Effective Date – April 1, 2017
Section 4 – Rates

Rate SR – Seasonal Rate

Sheet 1 of 2

Availability.

1. General Service or non-commercial use within the Cooperative's service area in accordance with the cooperative's rules and regulations.
2. Customer must have a minimum of 12 (twelve) months billing history with Cooperative.
3. Based on the credit history indicated on the billing records of the Cooperative for the Customer's account requesting the Seasonal Rate, the Customer must meet the following criteria;
 - a. Execute an Electric Service Agreement
 - b. No more than two incidence of delinquency in the past 12 months
 - c. No incidence of collection, disconnection for non-payment, or deferred payment within the past 12 months.
4. Once a customer leaves the seasonal billing rate, the account cannot be reinstated on seasonal billing for a period of not less than one year.
5. Account must be paid in full.
6. The Cooperative will read the Customer's meter when a reading is required.
7. Monthly average kWh usage for the previous 12 months cannot exceed 500 kWh, based on the customers billing records. However, Customers with 10 or more services on the General Service Rate requesting 75% or more of the services to be switched to the Seasonal Rate may, at the sole discretion of the Cooperative, be given special consideration(s).

Type of Service. Single phase, 60 cycles, at the Cooperative's standard secondary voltage

Rate.

Customer Service Charge	\$ 29.00 per meter per month
Capacity Charge	\$1.50 per kVA for transformer capacity in excess of 15 KVA
Energy	\$ 0.108347 per kWh for all kWh

Determination of Annual Prepayment. Customer's twelve (12) month billing history will be used to calculate the annual prepayment. Based on the total kWh used during the previous 12 (twelve) months the Cooperative will the estimated total billing for the following 12 (twelve) months which will be the Annual Prepayment required.

At the earlier of twelve months or termination seasonal billing, the Cooperative will calculate the seasonal billing amount based on actual usage and the average of the actual monthly PCRf factors for the seasonal billing period. Over or under billing will be billed or refunded to the Consumer, but the Cooperative at its discretion may apply over or under billing to the next seasonal billing computation. If seasonal billing is terminated, over or under billing will be billed or refunded as soon as possible.

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – November 26, 2013
Effective Date – March 1, 2014
Section 4 – Rates

Rate SR – Seasonal Rate

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Power Cost Adjustment. The power cost adjustment factor for the Annual Prepayment will be based on the average of the past 12 (twelve) months Power Cost Adjustment factors. If the current Power Cost Adjustment clause or its Base Power Cost per kWh sold has not been in effect for twelve months, monthly Power Cost Adjustment factors using the currently in effect Power Cost Adjustment base cost will be calculated for those months prior to the effective date of the current Power Cost Adjustment clause.

Minimum Monthly Charge: The minimum monthly charge used in the prepayment calculation will be the highest one of the following charges as determined for the customer:

1. The Customer Service Charge.
2. The minimum monthly charge as specified in the Electric Service Agreement.

Power Cost Adjustment charges are not considered in the minimum bill calculation.

Determination of Installed kVA. The installed kVA will be the sum of the nameplate rating on the transformers provided at the customer's point of delivery. Each transformer will be installed according to standard engineering practices sized to the closest standard size installed by the Cooperative which is sufficient to provide the service required. If at the convenience of the cooperative, larger transformers are provided, the required kVA for billing purposes will be the closest standard kVA size which would provide the requested service regardless of the actual size installed.

Terms of Payment. In the event the current monthly bill is not paid within 16 (sixteen) days from date of bill, said bill will become delinquent and a Late Payment Fee will be applied (see Interest Rate and Fee Schedule).

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – January 23, 2018
Section 4 – Rates

Sheet 1 of 1

Rate - Lighting

Availability.

Available to Consumers within the Cooperative's service area, for area and directional lighting of **private** property such as private drives, parking areas or other areas not accessible to the public. High Pressure Sodium lamps are indicated by HPS. MH indicates Metal Halide lamps.

Type of Service.

Single phase, 60 cycles, at the Cooperative's standard secondary voltage.

Monthly Rate.

Security Lighting

100 Watt	40 kWh	HPS	\$10.90	(standard)
100 Watt	40 kWh	MH	\$11.95	Not available for new service
250 Watt	100 kWh	HPS	\$16.25	
250 Watt	95 kWh	MH	\$17.20	Not available for new service

Flood Lighting

400 Watt	155 kWh	HPS	\$23.70	
400 Watt	150 kWh	MH	\$24.65	Not available for new service
1,000 Watt	365 kWh	HPS	\$52.90	
1,000 Watt	360 kWh	MH	\$53.85	Not available for new service

Power Cost Adjustment.

The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment Tariff. Power Cost Adjustments will be based kWh per lamp shown above.

Installation

Light fixture will be installed on existing Cooperative facilities with secondary service is available. If Consumer desires light fixture to be installed where facilities and/or secondary service is not available, such will be governed by the Line Extension Policy – Lighting. Customer must maintain accessibility by vehicle to the service location for maintenance of the fixture by authorized personnel or service may be terminated.

Fixtures

Standard fixture consists of a 100 Watt HPS bulb, Cobra head fixture with flat or globe refractor and a 3-foot arm. The cost of Non-standard fixtures, bulbs and mounting brackets must be paid as contribution-in-aid of construction prior to installation. Non-standard fixtures are not in stock and will be ordered.

Terms of Payment.

In the event the current monthly bill is not paid within sixteen (16) days from date of bill, said bill will become delinquent and a fee will be applied (see Interest Rate and Fee Schedule).

Medina Electric Cooperative, Inc.
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Rate Street Lighting

Sheet 1 of 1

Availability.

Available to Consumers within the Cooperative's service area, for lighting roadways, streets, intersections, alleys and other publicly accessible areas used by moving vehicles. This rate does not apply to private drives, parking areas or other areas not accessible to the public. Consumer must maintain accessibility by vehicle to the service location for maintenance of the fixture by authorized personnel or service can be terminated. High Pressure Sodium lamps are indicated by HPS. Metal Halide lamps are indicated by MH.

Type of Service.

Single phase, 60 cycles, at the Cooperative's standard secondary voltage.

Monthly Rate.

Street Lighting

100 Watt	40 kWh	HPS	\$10.90 (standard)
100 Watt	40 kWh	MH	\$11.95 Not available for new service
250 Watt	100 kWh	HPS	\$16.25
250 Watt	95 kWh	MH	\$17.20 Not available for new service

Flood Lighting

400 Watt	155 kWh	HPS	\$23.70
400 Watt	150 kWh	MH	\$24.65 Not available for new service
1,000 Watt	365 kWh	HPS	\$52.90
1,000 Watt	360 kWh	MH	\$53.85 Not available for new service

Power Cost Adjustment.

The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment Tariff. Power Cost Adjustments will be based kWh per lamp shown above.

Standard Fixture

The cost of the light fixture, bulb and mounting arm must be paid as contribution-in-aid of construction prior to installation.

Terms of Payment.

In the event the current monthly bill is not paid within sixteen (16) days from date of bill, said bill will become delinquent and a fee will be applied (see Interest Rate and Fee Schedule).

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – August 23, 2016
Effective Date – April 1, 2017
Section 4 – Rates

Rate GS - GENERAL SERVICE (Primary Metered)

Sheet 1 of 1

Availability. Available to non-commercial customers for all residential and general service uses within the cooperative's service area, in accordance with the cooperative's rules and regulations.

Type of Service. Single or three phase, 60 cycles, at the Cooperative's standard primary voltage.

Rate.

Customer Service Charge	\$ 29.00 per meter per month
Energy Charge	\$ 0.108347 per kWh for all kWh
Demand Charge	\$ 1.50 per billing kW

Power Cost Adjustment. The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment schedule.

Determination of Billing Demand.

The billing demand shall be the maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during a billing period as indicated or recorded by a demand meter, but not less than 15 kW.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the customers:

1. The Customer Service Charge plus Demand Charge
2. The minimum monthly charge specified in the Electric Service Agreement for purchase of power.

Service at Primary Voltage. If service is furnished at primary distribution voltage, a discount of 3% will be applied to the demand and energy charges.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from date of bill, said bill will become delinquent and a fee will be applied. [see Fee Schedule]

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Board Approval – January 23, 2018
Section 4 – Rates

Rate - City of Laredo Street Lighting

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Availability.

Available to Consumers within the Cooperative's service area who are within the City limits of the City Laredo, for lighting roadways, streets, intersections, alleys and other publicly accessible areas used by moving vehicles. This rate does not apply to **private** drives, parking areas or other areas not accessible to the public. Consumer must maintain accessibility by vehicle to the service location for maintenance of the fixture by authorized personnel or service can be terminated. High Pressure Sodium lamps are indicated by HPS.

Type of Service.

Single phase, 60 cycles, at the Cooperative's standard secondary voltage.

Monthly Rate

150 Watt	60 kWh	HPS	\$ 9.40
250 Watt	100 kWh	HPS	\$15.55
400 Watt	155 kWh	HPS	\$21.70

Power Cost Adjustment.

The foregoing energy charges will be increased or decreased according to the terms of the Power Cost Adjustment Tariff. Power Cost Adjustments will be based kWh per lamp shown above.

Standard Fixture

The cost of the light fixture, lamp, mounting arm, pole and secondary service must be paid as contribution-in-aid of construction prior to installation.

Terms of Payment.

In the event the current monthly bill is not paid within sixteen (16) days from date of bill, said bill will become delinquent and a fee will be applied (see Interest Rate and Fee Schedule).

Medina Electric Cooperative, Inc.
Retail Tariff
Board Approval – March 28, 2017
Section 4 – Rates

Rate PES - PREPAID ELECTRIC SERVICE (PES) PAYMENT OPTION

Availability. Available to non-commercial Customers taking single-phase service under the General Service (GS) Rate within the Cooperative's service area, in accordance with the Cooperative's rules and regulations.

Eligibility.

- A. New – Any qualifying customer applying for new service may choose PES regardless of payment history or credit rating.
 1. A \$75.00 prepaid credit balance is required upon enrollment.
- B. Existing – An existing Customer may choose PES at any time.
 1. A \$75.00 prepaid credit balance is required upon enrollment.
 2. Any current or past due balance over \$200.00 must be paid prior to enrollment in the program.
 3. If beginning balance is \$200.00 or less, fifty percent (50%) of any future payments made on the account will be applied to the outstanding balance owed with the remaining 50% applied to the prepaid credit balance. Once the outstanding balance is paid, 100% of any future payments will be applied to the prepaid credit balance.
 4. If an account is disconnected for non-payment, the Customer may apply for PES at the time of reconnection.

Daily Rate.

1. The daily Customer Service Charge shall be the standard General Service monthly Customer Service Charge multiplied by 12, then divided by 365, with the Customer Service Charge stated at six decimal places.
2. The daily Capacity Charge shall be the standard General Service monthly Capacity Charge (if any) multiplied by 12, then divided by 365, with the Capacity Charge stated at six decimal places.
3. The Energy Charge and Power Cost Adjustment will be the same as the standard Energy Charge and Power Cost Adjustment under the General Service Rate.
4. Miscellaneous flat monthly fees, such as fees for surge protection and security lights, shall be the standard monthly fee multiplied by 12, then divided by 365, with the fee stated at six decimal places.
5. Fees that are based on a percentage of the amount owed, such as franchise fees, will be applied as applicable.

Payments. Customers may make payments towards PES using all normally available payment methods provided to Customers; however, payments must be at least \$25.00. PES Customers are not eligible for the Cooperative's Budget Billing or Autopay/Draft programs.

Bills. Customers will not receive a monthly electric bill/statement. It is the Customer's responsibility to monitor Customer's account balance and make payment as necessary to maintain a credit balance on Customer's account.

Dishonored Payments. If a dishonored payment is received on the account, the amount owed and a Dishonored Payment Fee will be charged back to the Customer's account immediately.

Disconnect. Electric service will be disconnected automatically when a Customer's prepaid credit balance reaches \$0.00. Once this threshold is reached, disconnects may occur Monday through Friday (excluding Cooperative holidays) between the hours of 8:00 a.m. and 5:00 p.m. Disconnected Customers must re-establish a minimum prepaid credit balance of \$75.00 in order to be reconnected. Additionally the Cooperative may require Customer to take other required actions to permit safe restoration of electric service before the Cooperative will reconnect electric service. The Cooperative will endeavor to reconnect electric service within 30 minutes of appropriate payment being made. It is the responsibility of the Customer to ensure that all electric appliances are turned off and that the Customer's electric system is safe to energize prior to making any such payment.

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Notifications. Customers are required to provide a valid email address, text messaging number, and/or telephone number to receive notifications regarding Customer's account status. Standard message and data carrier charges apply for email or text message notifications. Customers are responsible for monitoring Customer's prepaid account balance. The Cooperative will make reasonable efforts to deliver timely notifications; however, failure to receive notifications does not affect a Customer's obligation to pay to avoid having service disconnected according to the terms and conditions of this tariff.

Late Payment and Reconnection Charges. PES accounts are not subject to late payment charges or reconnection charges.

Arrangements. PES accounts are not eligible for payment arrangements. Any energy assistance or other types of financial assistance will be applied to the prepaid balance only when received. Pledges will not be accepted to prevent disconnect.

Inactivity. If a disconnected PES account is not reconnected within five (5) business days, the account will be considered inactive, and the Cooperative will mail a final bill to the last known address on file.

Customers on Life-Support Registry. Customers on MEC's Life-Support Registry are not eligible for PES.

Discontinuation of Plan. This plan may be discontinued by either the Customer or the Cooperative upon 10 (ten) days written notice. If the Customer moves, or if electric service is discontinued for any other reason, the total amount owed to the Cooperative according to actual electric usage shall become due and payable immediately. The Cooperative shall refund any over-recovered amounts to Customer upon termination of service to the Customer.

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Board Approval – January 12, 2012, Revised May 28, 2013
Section 4 – Rates

Rate IND – INDUSTRIAL OF 1000 KW OR GREATER

Sheet 1 of 2

Availability. Available to Customers with peak demands of 1000 kW or greater for all commercial and industrial purposes, excluding Cotton Gins and Irrigation, within the Cooperative's service area, subject to the Cooperative's rules and regulations. No temporary or shared, resale, standby or auxiliary service is permitted.

Type of Service. The type of service is three phase service at the Cooperative's standard primary and secondary voltages, where available; and wholesale delivery point level service, where available. Where service of the type desired by the Customer is not already available at the point of delivery, additional charges under the Cooperative line extension policy may be required prior to service being furnished. If requests for electric service involve unusual circumstances, usage, or load characteristics not regularly encountered by the Cooperative, the Cooperative shall enter into a special contract with Customer subject to the approval of the Cooperative's Board of Directors.

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

(1) Delivery Charges for 1000 kW to 5000 kW

	<u>Wholesale Delivery Point Service</u>	<u>Distribution Primary Service</u>	<u>Distribution Secondary Service</u>
Customer Charge	\$180.00	\$180.00	\$225.00
NCP Demand Charge, per billing kW	\$ 1.45	\$ 5.65	\$ 7.70

(2) Delivery Charges for Over 5000 kW

	<u>Wholesale Delivery Point Service</u>	<u>Distribution Primary Service</u>	<u>Distribution Secondary Service</u>
Customer Charge	\$750.00	\$3,000.00	\$5,000.00
NCP Demand Charge			
First 5,000 kW, per billing kW	\$1.35	\$5.10	\$6.75
Next 5,000 kW, per billing kW	\$1.30	\$4.85	\$6.40
Next 10,000 kW, per billing kW	\$1.20	\$4.60	\$6.10
Next 10,000 kW, per billing kW	\$1.10	\$4.10	\$5.40
Next 10,000 kW, per billing kW	\$0.95	\$3.55	\$4.70
Next 10,000 kW, per billing kW	\$0.80	\$3.05	\$4.05
Over 50,000 kW, per billing kW	\$0.70	\$2.55	\$3.40

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Rate IND – INDUSTRIAL OF 1000 KW OR GREATER

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(3) Power Cost

The cost of power to serve the Customer includes, but is 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.

Unless otherwise specified in the agreement for service, line losses shall be 6.56% for distribution primary service and 9.56% for distribution secondary service. Billing units will be adjusted for line losses by dividing the metered billing units by one minus the line losses.

For example, the line loss adjusted billing unit for 1000 kW at distribution primary would be:
 $1000 \text{ kW} \div (1 - .0656) = 1000 \text{ kW} \div 0.9344 = 1,070.21 \text{ kW}.$

Determination of NCP Billing Demand. Notwithstanding anything herein or in any contract with the customer to the contrary, the minimum billing demand provisions set forth in the Cooperative's Retail Tariff Section 5 – Customer Relations shall control. Subject to the foregoing, the NCP billing demand will be the highest of the following:

1. 1000 kW.
2. The maximum kilowatt demand established by the customer for any period of fifteen (15) consecutive minutes during a billing period as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter.
3. 100% of the highest metered demand established in the billing period or the previous 11 billing periods.
4. The amount specified in any contract with the customer.

Power Factor Adjustment. The customer agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted to correct for average power factors lower than 97% when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand to an equivalent demand that would yield a 97% power factor.

Billing Adjustments. This rate is subject to billing adjustments except the Power Cost Adjustment Factor (PCA) tariff.

Service at Wholesale Delivery Point or Distribution. The Customer must own, operate, and maintain all equipment past the Customer's connection point to the wholesale delivery point or to the Cooperative's distribution system.

Minimum Monthly Charge. The minimum monthly charge shall be the highest one of the following charges as determined for the Customer:

1. The sum of the Customer Charges and NCP Demand Charges;
2. The minimum monthly charge specified in the agreement for service.

Minimum Term of Rate Applicability. The minimum term for which this rate shall be applied is 24 months.

Terms of Payment. In the event the current monthly bill is not paid within 16 days from the date of the bill, said bill will become delinquent and a fee will be applied [see Interest Rate and Fee Schedule].

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Section 5 - CUSTOMER RELATIONS

INFORMATION TO CUSTOMERS

1. Upon request for service by a residential applicant or for a transfer of service by a residential customer, the Cooperative will inform the applicant or customer of the lowest-priced alternatives available at the applicant's location. The information will begin with the lowest-priced alternative and give full consideration to applicable equipment options and installation charges; the Cooperative's alternate rate schedules and options, including time of use rates and renewable energy tariffs if available; and the Customer Information Packet.
2. The Cooperative will notify customers affected by a change in rates or schedule of classification.
3. Copies of the rate schedules and rules relating to the service of the Cooperative are available for inspection.
4. The Cooperative will mail to all existing residential customers, and thereafter provide to all new residential customers, at the time service is initiated, the information sheet "Your Rights as a Member". The information shall additionally be mailed to all customers on at least every other year at no charge to the customer.
5. The Cooperative encourages customers with physical disabilities and those who care for such customers to identify themselves to the Cooperative so that special action can be taken to inform these persons of their rights, where necessary and appropriate to the person's circumstance.

CUSTOMER COMPLAINTS

1. Upon complaint to the Cooperative by a Customer or applicant either at a Cooperative office, by letter, by telephone, or by Internet, the Cooperative will promptly investigate and advise the complainant of the results within 21 days.
2. Upon complaint to the Public Utility Commission of Texas by a customer or applicant, the Cooperative will investigate and advise the commission in writing of the results of the investigation within 21 days after the complaint is forwarded to the Cooperative.
3. In the event the customer or applicant is dissatisfied with the Cooperative's investigation of complaint, the customer or applicant has the right to request a supervisory review. The Cooperative will schedule the review at the earliest possible date. Service will not be disconnected before completion of the review. If the customer chooses not to participate in a review, then the Cooperative may disconnect service, providing proper notice has been issued. The results of the supervisory review must be provided in writing to the customer within 10 days of the review, if requested.

INTEREST RATE AND FEE SCHEDULE

All fees and interest rates described herein shall have the meanings set forth in the Cooperative's Retail Tariff Section 6 – Interest Rate and Fee Schedule.

REFUSAL OF SERVICE

Compliance by Applicant. The Cooperative may refuse to serve an applicant until the applicant complies with state and municipal regulations and the Cooperative's rules and regulations or for any of the reasons identified below:

1. Applicants Facilities Inadequate. If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given (the Cooperative's specifications are based on the American National Standards Institute, Inc. and the National Electrical Safety Code).

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2. For Indebtedness. If the applicant is indebted to any electric service provider for the same kind of service as that applied for, provided, however, that in the event the indebtedness of the applicant is in dispute, the applicant shall be served upon complying with the deposit requirement (relating to Applicant and Customer Deposit).
3. Refusal to Make Deposit. For refusal to make a deposit if applicant is required to make a deposit under these sections.
4. Refusal to Pay Aid to Construction
5. Violation of Tariffs. The applicant fails to comply with the Cooperative's tariffs pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others. The Cooperative will provide the applicant notice of such refusal until applicant complies with the Cooperative's tariffs.
6. Failure to Pay Guarantee. The applicant has acted as a guarantor for another customer and failed to pay the guaranteed amount, where such guarantee was made in writing to the Cooperative and was a condition of service.
7. Intent to Deceive. The applicant applies for service at a location where another customer received, or continues to receive, service and the electric utility bill is unpaid at that location, and the Cooperative can prove or has reason to believe the change in identity is made in an attempt to help the other customer avoid or evade payment of an electric utility bill. An applicant may request a supervisory review as described above if the Cooperative determines that the applicant intends to deceive the Cooperative and refuses to provide service.
8. Access to Property. Failure to grant unrestricted access to Cooperative facilities.

Applicant's Recourse. In the event that the Cooperative refuses to serve an applicant under the provisions of these sections, the Cooperative will inform the applicant of the basis of its refusal and that the applicant may file a complaint with the Commission.

Insufficient Grounds for Refusal of Service. The following are not sufficient cause for refusal of service to a present customer or applicant:

1. Delinquency in payment for service by a previous occupant of the premises to be served;
2. Failure to pay for merchandise, or charges for non-utility service purchased from the Cooperative;
3. Failure to pay a bill to correct previous under-billing due to misapplication of rates more than six months prior to the date of application; failure to pay a bill that includes more than the allowed six months of under-billing, unless the under-billing is the result of theft of service; or
4. Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

APPLICANT AND CUSTOMER DEPOSIT

For purposes of this section, applicant is to be defined as a person who applied for service for the first time or reapplies at a new or existing location after discontinuance of service; and customer is defined as someone who is currently receiving service.

Credit Requirements for Permanent Residential Applicants.

1. The Cooperative may require a residential applicant for service to establish and maintain satisfactory credit as a condition of providing service, but such establishment of credit shall not relieve the customer from complying with the Cooperative's requirements for prompt payment of

Medina Electric Cooperative, Inc.
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bills. The credit worthiness of spouses established during the 12 months prior to their divorce will be equally applied to both spouses for 12 months immediately after their divorce.

2. Satisfactory credit can be demonstrated by a residential applicant by any of the subparagraphs listed below.
 - A. By presenting a satisfactory letter of credit from the residential applicant's previous utility. A letter of credit may be accepted if:
 - i. the residential applicant has been a customer of any electric provider for the same kind of service within the past two years;
 - ii. the residential applicant is not delinquent in payment of any such electric provider account;
 - iii. during the last 12 consecutive months of service, the residential applicant was not late in paying a bill more than twice; and
 - iv. the residential applicant did not have service disconnected for nonpayment.
 - B. The residential applicant may also demonstrate satisfactory credit by presenting the following:
 - i. generally acceptable credit cards;
 - ii. letters of credit;
 - iii. the names of credit references which may be quickly and inexpensively contacted by the electric utility; or
 - iv. ownership of substantial equity that is easily liquidated.
 - C. The Cooperative may run a credit bureau report to determine the applicant's credit rating and examine if the applicant has a satisfactory credit rating. The credit rating is based on the "National Risk Score" relating to applicants overall credit data determined by FICO® (Fair Isaac Corporation). The applicant will be provided credit bureau contact information if the report indicates a non-satisfactory credit rating.
 - D. If the residential applicant is 65 years of age or older and does not have an outstanding account balance incurred within the last two years with the Cooperative or another electric provider for the same type of service.
3. If satisfactory credit cannot be demonstrated by the residential applicant in accordance with Section 2, the applicant may be required to pay a deposit pursuant to this chapter.

Credit Requirements for Commercial and Industrial Service. In the case of commercial or industrial service, if the credit of an applicant for service has not been established satisfactorily to the Cooperative, the applicant may be required to make a deposit.

Credit Requirements for Temporary and Miscellaneous Service. The Cooperative may require a deposit sufficient to reasonably protect it against the assumed risk for temporary or miscellaneous service such as hunting camps, fishing camps, campers, vacation homes and other types of recreational facilities.

Initial Deposits.

1. A residential applicant or customer who is required to pay an initial deposit may provide the Cooperative with a written letter of guarantee pursuant to subsection "Surety Agreement for Residential Accounts", instead of paying a cash deposit.
2. An initial deposit may not be required from an existing customer unless the customer was late paying a bill more than twice during the last 12 months of service or had service disconnected for nonpayment. The customer may be required to pay this initial deposit within 16 days after billing deposit. Instead of an initial deposit, the customer may pay the total amount due on the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.

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Additional Deposits.

1. An additional deposit may be required if:
 - A. the amount of deposit collected is less than 25% of customer's actual annual billings; and
 - B. A delinquent notice has been issued more than twice for the account within the previous 12 months.
2. The Cooperative may require that an additional deposit be paid within 10 days after the Cooperative has issued a written disconnection notice and requested the additional deposit.
3. Instead of an additional deposit, the customer may pay the total amount due on the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.
4. The Cooperative may disconnect service if the additional deposit is not paid within 10 days of the request, provided a written disconnection notice has been issued to the customer. A disconnection notice may be issued concurrently with either the written request for the additional deposit or current usage payment.

Deposits for Temporary and Miscellaneous Service. The Cooperative may require a deposit sufficient to reasonably protect it against the assumed risk for temporary and miscellaneous service.

Amount of Deposit. The total of all deposits will not exceed an amount equivalent to one-fourth of the actual annual billing. Where actual annual billing information is not available the following deposit amounts will be required for General Service rate applicants:

Occupied Residence	\$ 400.00
Hunting Camp	\$ 300.00
Water Well	\$ 200.00
Other General Service	\$ 200.00

Deposit amounts for all other rate schedules will be determined based on load requirements and estimated usage.

Interest on Deposits. The Cooperative will pay interest at the rate set by the Public Utility Commission of Texas on December 1 of the preceding year pursuant to Texas Utilities Code 183.003. If a deposit is refunded within 30 days of the date of deposit, no interest payment is required. If the Cooperative keeps the deposit more than 30 days, payment of interest will be made retroactive to the date of deposit.

1. Payment of the interest to the customer will be annually if requested by the customer, or at the time the deposit is returned or credited to the customer's account.
2. The deposit will cease to draw interest on the date it is returned or credited to the customer's account.

Notification to Customers. At the time a deposit is required, the Cooperative will provide applicants for, and customers of, commercial, industrial, or residential service written information about deposits separate from the information on deposits required in "Your Rights as a Member".

Records of Deposits.

1. The Cooperative will keep records to show:
 - A. Name and address of each depositor;
 - B. Amount and date of the deposit; and
 - C. Each transaction concerning the deposit.

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2. The Cooperative will issue a receipt of deposit to each applicant paying a deposit and will provide means for a depositor to establish a claim if the receipt is lost.
3. A record of each unclaimed deposit must be maintained for at least four years.
4. The Cooperative will make a reasonable effort to return unclaimed deposits.

Surety Agreement for Residential Accounts.

1. A Surety Agreement between the Cooperative and a guarantor must be in writing and shall be for no more than the amount of deposit the Cooperative requires on the applicant's account. The amount of the guarantee shall be clearly indicated in the signed agreement.
2. The Surety Agreement will be voided and returned to the guarantor according to the provisions of subsection "Refund of Deposits and Voiding of Surety Agreements" of this section.
3. Upon default by a residential customer, the guarantor of that customer's account shall be responsible for the unpaid balance of the account only up to the amount agreed to in the written agreement.
4. The Cooperative will provide written notification to the guarantor of the customer's default, the amount owed by the guarantor, and the due date for the amount owed.
 - A. The Cooperative will allow the guarantor 16 days from the date of notification to pay the amount owed on the defaulted account. If the sixteenth day falls on a holiday or weekend, the due date shall be the next workday.
 - B. The Cooperative may transfer the amount owed on the defaulted account to the guarantor's bill provided the guaranteed amount owed is identified separately on the bill as required under the "Billing" section.
5. The Cooperative may disconnect service to the guarantor for nonpayment of the guaranteed amount only if the disconnection was included in the terms of the written agreement, and only after proper notice as described this subsection and subsection title relating to "Disconnection and Reconnection Procedures".

Refund of Deposits and Voiding of Surety Agreements.

1. If service is not connected, or is disconnected, the Cooperative will promptly void and return to the guarantor all Surety Agreements on accounts or provide written documentation that the contract has been voided, or refund the customer's deposit plus accrued interest or 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 unless permitted by these sections.
2. When the Customer has paid bills for service for 12 consecutive 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 customer is not delinquent in the payment of the current bills, the Cooperative will promptly refund the deposit plus accrued interest to the customer, or void and return the Surety Agreement or provide written documentation that the contract has been voided. If the customer does not meet these refund criteria, the deposit and interest or Surety Agreement may be retained in accordance with this section.

Reestablishment of Credit. Every applicant who previously has been a customer of the Cooperative and whose service has been discontinued for nonpayment of bills or theft of services (meter tampering or

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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 as provided in this section.

IDLE SERVICES

Where the Cooperative's electric facilities and equipment are in place but electric service has not been connected yet or has been disconnected for one year or more, the service shall be considered "Idle Service." The Cooperative retains the right to remove, at its convenience, any idle electric facilities and equipment. If an Applicant or Customer desires idle electric facilities and equipment to remain in place, then the Cooperative will leave the idle electric facilities and equipment in place provided that the Applicant or Customer pays the Idle Service Annual Maintenance Fee, if applicable. (see Interest Rate and Fee Schedule).

NEW CONSTRUCTION

General Policy. The Cooperative extends its distribution facilities to applicants/customers in accordance with the line extension provisions outlined in this Section. Each provision classifies the predominant type of electric service/use anticipated on applicant's/customer's premises and specifies conditions under which a line extension may be made. For each location where electric service is desired, applicant's/customer's classification involves an evaluation of the type of installation, its use, as well as the frequency and duration of energy consumption which may be expected. Customer's classification shall be determined by the Cooperative at its sole discretion. In the event that the classification assigned by the Cooperative is incorrect based on applicant's/customer's subsequent actual use of the installation and/or usage of energy, then the Cooperative may alter applicant's/customer's classification and apply the correct line extension classification, making appropriate adjustment to the applicant's/customer's account or billing, including payment of contribution in aid of construction (CIAC) determined as set forth herein.

All wiring, poles, lines and other equipment beyond the metering point shall be considered the distribution system of the applicant/customer and shall be furnished and maintained by the applicant/customer. All power and energy delivered beyond the point of metering shall be the responsibility of the customer, and the Cooperative will not be liable for claims, injuries and damages to persons or property occurring on the applicant's/customer's side of the meter.

A minimum contract term of one (1) year may be required on the electric service agreement when new construction is required. A reconnect does not require a contract term on the electric service agreement. A reconnect shall be defined as restoring service to a location where primary facilities exist and only the installation of a meter and reconnection of the transformer is required.

Applicant will be charged an Engineering Fee for field or in-office engineering and clerical work to prepare cost estimates, staking sheets or any other documentation necessary for construction and record keeping. Said fee must be received before engineering will be scheduled or documentation will be prepared. Any documentation will be held by the Cooperative for 12 months.

An additional fee will be charged in the following circumstances:

1. Requesting engineering or documentation that is older than 12 months.
2. Changes in construction criteria which necessitate additional engineering or clerical work.
3. Changes in construction criteria which necessitate modification of any documentation.

All engineering fees are non-refundable after staking sheets, cost estimates, easements or any other related documentation associated with the proposed construction has been created. The amount of the relevant fee may be adjusted from time to time by the Board of Directors.

Additional costs associated with construction including, but not limited to, legal expenses, right-of-way, condemnation and administrative expenses will also be included in the cost of the construction.

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Request for Service. All requests for electric service within the certificated service area of the Cooperative, as established by the Public Utility Commission of Texas, will be served as rapidly as practical. Applicants requesting the Cooperative to change the existing certificated service area may be required to pay a non-refundable Boundary Amendment Fee to cover costs associated with the request based on expected revenue from the proposed service.

All contracts for electric service, except certain special contracts, will be made on the Cooperative's standard electric service agreement form and accepted by the Cooperative before service is rendered. All applications for service will be considered without regard to race, color, disability, sex, religion, age, national origin, veterans' status, or marital status.

The Member shall have no exclusive, transferable or marketable capacity rights to any specific or requested amount of capacity. Cooperative shall not have an obligation to provide or plan for any requested capacity to any Member which is not utilizing the Member's requested capacity within three (3) calendar years from either the date service is initially provided to applicant or the date service is made available to the applicant or Member by Cooperative, unless Member provides written verification acceptable to the Cooperative of a continuing future need for the requested capacity. This written verification may be periodically required by the Cooperative thereafter. Upon either of the two aforementioned expiration dates, or upon failure of Member to provide written verification of a continuing need for the additional capacity, the capacity requested and not utilized by the applicant or Member may be used in any manner by Cooperative, including to provide service to other applicants.

Response to Requests for Service. The Cooperative will serve each qualified applicant for service within its certificated area as rapidly as is practical.

1. Those applications for new electric service not involving line extension or new facilities should be filled within seven working days. Applications for electric residential service requiring line extension should be filled as quickly as possible and shall be filled within 90 days unless unavailability of materials causes unavoidable delays.
2. If a line extension is required by other than a large industrial or commercial electric customer/applicant, or if facilities are not available, the Cooperative will inform the customer/applicant within 10 working days of receipt of the application, giving the customer/applicant an estimated completion date.
3. Any construction cost options such as rebates to the customer/applicant, sharing of construction costs between the Cooperative and the customer/applicant, or sharing of costs between the customer/applicant and other applicants shall be explained to the customer/applicant following assessment of necessary line work.

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 the Applicant'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.

A change in rate classification may be made by the Cooperative due to a change in the type of service required or in case of misrepresentation of classification on the part of the applicant/customer. All service provided to residential applicants/customers will be subject to verification of rate classification after service has been provided for 6 months.

Line Extension and Construction Charges

The Cooperative will extend its overhead and underground distribution facilities to Customer's point of delivery in accordance with the following line extension provisions. The following provisions establish a classification system for the typical types of electrical service associated with a Customer's premises. Additionally, these provisions specify the conditions under which a line extension may be made. For each location where electrical service is desired, Customer will evaluate the type of installation and its use and

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attempt to classify such installation according to the following provisions. However, the final determination of each classification shall solely be the responsibility of the Cooperative. In the event that the initial or a subsequent classification assigned by the Cooperative is or becomes incorrect based upon Customer's actual use of the installation, the Cooperative may alter Customer's classification, apply the correct line extension classification, and make any appropriate adjustments to the Customer's billing account, including, without limitation, charging Customer any additional costs and fees that Customer would have been obligated to pay under the proper classification.

The Cooperative will provide Customer an estimate of the costs to be incurred hereunder.

- If any cost estimate is \$10,000.00 or higher (excluding Reimbursement Contribution and Construction Allowance), then, following the completion of the work, there will be a true-up of such estimate to the actual costs incurred by the Cooperative, and the balance will be credited to Customer or paid to the Cooperative, as applicable.
- If any cost estimate is less than \$10,000.00 (excluding Reimbursement Contribution and Construction Allowance), then the line extension will be constructed for the estimated cost without a subsequent true-up.

When estimating costs hereunder, the Cooperative shall estimate the cost for the line extension based on current unit material and labor costs, and all other costs directly attributable to the extension, in each case according to the most recent data available, as well as applicable overhead costs. When determining costs hereunder, the Cooperative shall include the cost of all construction, including not only the labor and materials used in constructing the extension, but also engineering, right-of-way acquisition and clearing, overhead, and all other costs directly attributable to the extension.

The cost of construction may also include amounts necessary to partially refund a portion of a CIAC (Reimbursement Contribution) from an Initial Contributor and/or a portion of the construction cost paid by the Cooperative. The circumstances for this additional Reimbursement Contribution and the methods for determining the contribution are specified in this tariff.

Applicable Definitions

Initial Contributor – The Initial Contributor shall be defined as the initial applicant which pays a CIAC for a Qualifying Facility. This CIAC may be partially refundable in accordance with the procedures specified in this tariff. There may be more than one Initial Contributor for a specified construction project. If applicant pays the required CIAC for a specific project or facility, then applicant shall be deemed to be an Initial Contributor for only that specific project or facility, and may be eligible for a partial refund from a subsequent applicant if such subsequent applicant pays a CIAC within the Refund Period and thereby becomes a Secondary Contributor. An Initial Contributor shall be eligible for a partial refund only if the Initial Contributor (i) is a Member of the Cooperative; (ii) continues to receive service at the location for which the initial CIAC was paid; and (iii) remains financially responsible for the service at such location. In no event will an Initial Contributor be eligible for a partial refund of any Construction Allowance.

Secondary Contributor – The Secondary Contributor shall be defined as an applicant which requests service from a Qualifying Facility for which an Initial Contributor has paid a CIAC, and which pays a required, non-refundable CIAC within the Refund Period as defined below. This non-refundable CIAC shall include the costs of extending service to the Secondary Contributor plus an additional non-refundable contribution (Reimbursement Contribution) in accordance with the procedures specified in this tariff. A Secondary Contributor shall not be eligible for a refund of any contribution except as specified in this tariff. There may be more than one Secondary Contributor for a specified construction project. The amount of the nonrefundable CIAC to be paid by a Secondary Contributor within a Refund Period shall include the costs necessary to provide service to the Secondary Contributor plus a Reimbursement Contribution.

Refund Period – The Refund Period shall be defined as a period of time, approximately three (3) years in duration, which begins the first working day after the Cooperative receives full payment of a CIAC for a specified construction project, excluding any amounts due the Cooperative resulting from any true-up of a cost estimate, and which ends at 5:00 p.m., prevailing Central Time, on the date three (3) calendar years after the receipt of the contribution. The Refund Period shall also be terminated once capacity is no longer available to serve additional applicants. Upon request from an applicant which paid a CIAC and may be eligible for a partial refund as specified in this tariff, the Cooperative may provide to said applicant the

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effective termination date of the Refund Period applicable to said applicant. The applicant must provide the Cooperative written permission in a form satisfactory to the Cooperative to release the effective termination date of the Refund Period to other parties.

Reimbursement Contribution – The Reimbursement Contribution shall be defined as a mandatory contribution, in addition to CIAC, which may be imposed on any Secondary Contributor.

Construction Allowance – The amount of construction costs paid by the Cooperative and not charged to the applicant and/or Member for new construction in accordance with the procedures specified in this tariff.

Qualifying Facility – A distribution system improvement, new distribution system construction, or new transmission or substation facility or improvements to existing transmission and/or substation, excluding the costs for equipment and facilities constructed and designed by the Cooperative as “site specific” facilities or facilities initially intended for the sole use of the Initial Contributor, meeting the following criteria:

Type A. Permanent Residential, Single Phase Standard or Three Phase Standard for which the cost estimate is \$10,000.00 or higher (excluding Reimbursement Contribution and Construction Allowance).

Type B. Single Phase Other for which the cost estimate is \$10,000.00 or higher (excluding Reimbursement Contribution and Construction Allowance).

Type C. Three Phase Other for which the cost estimate is \$250,000 or higher (excluding Reimbursement Contribution and Construction Allowance).

Reimbursement Contribution Policy

A Reimbursement Contribution shall be required only from applicants and/or Members specified in this tariff. The Cooperative shall not provide service to any applicant which fails or refuses to pay any required Reimbursement Contribution.

When an applicant requests service from a Qualifying Facility, a Reimbursement Contribution shall be charged as follows:

Type A – all applicants

Type B – all applicants

Type C –

1. Permanent Residential, Single Phase Standard, Single Phase Other, Temporary Service, Residential Subdivision and Mobile Home Park Developments, and Three Phase Standard applicants if total capacity is 100kW or greater.
2. Three Phase Other applicants regardless of load capacity.

If a Reimbursement Contribution is paid by one or more Secondary Contributors, the Cooperative shall first be reimbursed for any investment made, or other costs incurred, by the Cooperative in excess of the CIAC made by the Initial Contributor, and the remaining portion of any Reimbursement Contributions shall be paid to the Initial Contributor. The Cooperative shall deduct from each payment made to an Initial Contributor an administrative fee of not less than \$100 plus engineering and consulting fees nor more than \$500 plus engineering and consulting fees.

If the capacity and/or service requirements of an applicant exceed the capacity of a facility or system improvements for which an Initial Contributor paid CIAC, then the applicant will pay CIAC for improvements to the existing facilities plus a Reimbursement Contribution. Upon payment of the CIAC for the additional improvements, the applicant shall become eligible for reimbursements associated only with the contribution for the improvements to said facility, and this applicant shall be deemed to be an Initial Contributor only for the contribution made for the improvements.

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If a Secondary Contributor requests service for a specified capacity and subsequently exceeds the specified capacity within the Refund Period, the Secondary Contributor shall pay an additional Reimbursement Contribution specified by the Cooperative, and the Cooperative may discontinue service to the Secondary Contributor if the Reimbursement Contribution is not paid.

1. Permanent Residential. The Cooperative will construct a new extension of its overhead or underground distribution system to serve a permanent residential installation under the following provisions:
 - A. Applicability
 - i. To qualify as an extension under this section, the location where the Customer is requesting service shall:
 - ii. Be a single or three phase permanent service location, and
 - iii. Be a single or multi-family residence, and
 - iv. Have an adequate supply of water, and
 - v. Have a connection to wastewater facilities, and
 - vi. Be occupied on a permanent, full time basis by the Customer or Customer's designated tenant, and
 - vii. Must be constructed or placed on and affixed to a permanent foundation.
 1. A manufactured home or prefabricated structure shall qualify if it is impractical to move and has the wheels, axles, and hitch or towing device removed.
 - B. Facilities Charge
 - i. There will be no charge to the Customer for the first \$1,200.00 of the cost of constructing the extension, and such amount shall be the Cooperative's obligation. The Customer shall be required to pay as CIAC the cost of the extension in excess of such \$1,200.00 Construction Allowance.
 - ii. Applicants may be required to pay a Reimbursement Contribution in addition to the CIAC, to compensate an Initial Contributor which previously paid CIAC for the construction of a Qualifying Facility.
 - iii. In the event additional applicants (of any type) are connected to a Qualifying Facility in this classification within the Refund Period then the Cooperative will refund a pro rata portion of the CIAC to the Initial Contributor unless the Initial Contributor is no longer a Member residing at the location for which the CIAC was paid. This provision shall be limited to reimbursements for service to not more than two (2) additional applicants.
 - C. Contract Term
 - i. Where a line extension is required to provide service, the Cooperative may require Customer to sign an electric service agreement for a term of up to one (1) year.
2. Single Phase - Standard. The Cooperative will construct a new extension of its overhead or underground distribution system to serve single phase non-residential installations under the following provisions:
 - A. Applicability
 - i. To qualify as an extension under this section, the location where the Customer is requesting service shall:
 - ii. Be a single phase permanent service location, and
 - iii. Be a domestic or stock water well, or
 - iv. Be a commercial business, or
 - v. Be a commercial farm and ranch facility.
 - B. Facilities Charge

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4. Three Phase - Standard. The Cooperative will construct a new extension of its overhead or underground distribution system to serve three phase non-residential installations under the following provisions:

A. Applicability

- i. To qualify for an extension under this section, the location where Customer is requesting service shall:
- ii. Be a three phase permanent service location, and
- iii. Be a domestic or stock water well, or
- iv. Be a commercial business, or
- v. Be a commercial farm and ranch facility.

B. Facilities Charge

- i. A CIAC for provision of electric service is required if the estimated annual revenue from Customer, excluding purchased power cost, is less than the revenue requirement associated with the Cooperative's system and direct investment costs of providing service to Customer. The amount of the Customer's CIAC shall be determined by the following formula. If the amount calculated below is zero or negative, no CIAC is required for provision of electric service.

Cooperative's Allowable Investment (CAI) = Annual Revenue / Return Factor

Total Project Cost (TPC) = Direct Cost + System Cost

Customer's Contribution = TPC - CAI

Where:

Direct Cost = The cost of distribution or transmission facilities necessary to provide electric service to the Customer, determined by estimating all necessary expenditures, including, but not limited to, overhead distribution facilities, metering and rearrangement of existing electrical facilities. This cost includes only the cost of the above-mentioned facilities that are necessary to provide service to the particular Customer requesting service and does not include the costs of facilities necessary to meet future anticipated load growth, or to improve the service reliability in the general area for the benefit of existing and future customers.

System Cost = Cooperative's average allocated investment costs and rate base items associated with transmission backbone facilities, distribution substation facilities and distribution backbone facilities as determined from the Cooperative's most recent cost of service study.

Annual Revenue = Annual revenue from the Customer computed using estimated billing units less the estimated annual cost of purchased power.

Return Factor = The fixed charge rate, including operations and maintenance, depreciation, taxes and a return on investment, necessary to convert an annual revenue stream to the total revenue associated with the life of the project.

- ii. The Cooperative will require payment of the total required Customer contribution before beginning construction unless otherwise specifically stated in an agreement for provision of service. All amounts paid to the Cooperative for construction shall be non-refundable unless otherwise specifically stated in an agreement for provision of service.
- iii. For Customers with loads greater than 1000 kW, the Cooperative shall exercise prudent judgment in determining the conditions under which a specific line extension will be made and shall view each case individually. The Cooperative shall analyze costs to provide service and base facilities charges on the rate of return generated by the rate design. Special contractual arrangements will be made with the Customer and may include CIAC in advance of construction or as a monthly facilities charge, special contract minimums, special service

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specifications, special contract terms greater than 5 years, or other arrangements or conditions deemed reasonable by the Cooperative. All amounts paid to the Cooperative as CIAC shall be non-refundable.

- iv. Applicants may be required to pay a Reimbursement Contribution in addition to the CIAC, to compensate an Initial Contributor which previously paid CIAC for the construction of a Qualifying Facility.
- v. In the event additional applicants (of any type) are connected to a Qualifying Facility in this classification within the Refund Period then the Cooperative will refund a pro rata portion of the CIAC to the Initial Contributor unless the Initial Contributor is no longer a Member receiving service at the location for which the CIAC was paid. This provision shall be limited to reimbursements for service to not more than two (2) additional applicants.

C. Contract Term.

- i. Where a line extension is required to provide service, the Cooperative may require Customer to sign an electric service agreement for a term of up to five (5) years.

5. Three Phase – Other. The Cooperative will construct a new extension of its overhead or underground distribution system to serve other three phase non-residential installations under the following provisions:

A. Applicability

- i. To qualify for an extension under this section, the location where Customer is requesting service shall:
 - ii. Be a three phase service location, and
 - iii. Be a residence or dwelling unit not qualifying as a permanent installation, or
 - iv. Be a hunting or fishing camp, or weekend home, or
 - v. Be a noncommercial farm and ranch facility, or
 - vi. Be a limited use commercial facility, or
 - vii. Be an oil and gas facility.

B. Facilities Charge

- i. The Customer shall be required to pay as CIAC the entire cost of the extension. Without limiting the foregoing, if Customer's electrical service will carry a load greater than 500 kVA or Customer's request is complex or unusual in nature, Customer may be required to pay an advance CIAC in an amount to be determined by the Cooperative in accordance with the Cooperative's standard policies. The Cooperative will not commence engineering design of the extension until such advance contribution is received.
- ii. Applicants may be required to pay a Reimbursement Contribution in addition to the CIAC, to compensate an Initial Contributor which previously paid CIAC for the construction of a Qualifying Facility.
- iii. In the event additional applicants (of any type) are connected to a Qualifying Facility in this classification within the Refund Period then the Cooperative may refund a portion of the CIAC to the Initial Contributor unless the Initial Contributor is no longer a Member receiving service at the location for which the CIAC was paid. The amount of any Reimbursement Contribution under this classification shall be determined by the Cooperative and may be based upon the Secondary Contributor's location on the facility and capacity requirements and other factors, and shall also consider only the portion of the facility jointly utilized to provide service to both the Initial Contributor and the Secondary Contributor.

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- iv. The Cooperative may also require additional nonrefundable contributions from applicants in this classification if applicant receives service from a distribution facility where Cooperative has constructed excess capacity. Excess capacity shall be defined as capacity in excess of the capacity necessary to provide service to Members and/or prior applicants utilizing the Cooperative's normal construction standards after consideration of the capacity required to provide service to new applicants and existing Members. The Cooperative shall identify each project where excess capacity is to be constructed, and shall consider the reasonable anticipation of additional applicants where it is more efficient and economical to construct the excess capacity than to require additional applicants to pay the full cost of system improvements. The amount of the nonrefundable CIAC shall be determined in the Cooperative's sole judgment based on the Cooperative's investment to construct the excess capacity, the amount of capacity required by applicant, and the amount of excess capacity remaining after service is provided to applicant.

C. Contract Term.

- i. There will be no contract term required under this line extension type.

6. Temporary Service. The Cooperative will construct an extension of its overhead or underground distribution system for the purpose of providing temporary service. The Customer desiring temporary service shall be required to pay in advance as CIAC the actual cost of construction and removal, less estimated salvage value. This line extension policy shall be applied to Customers contracting to receive service for less than one (1) year.

7. Residential Subdivision and Mobile Home Park Developments. The Cooperative will construct a new overhead or underground extension of its electric distribution system to provide service within residential subdivision or mobile home park developments under the following conditions:

A. Applicability

- i. The development is a platted residential subdivision or mobile home park approved by the local county or municipal authority to be primarily used for permanent single or multi-family residential dwellings, and
- ii. The development has a local county or municipal approved water and sewage system and improved roads, and
- iii. The developer provides at no cost to the Cooperative:
 - 1. A final plat duly recorded and approved by the local county or municipal authority containing right-of-way easements that are satisfactory to the Cooperative, and
 - 2. Sufficient additional information and documentation to satisfactorily substantiate to the Cooperative the development is not unduly speculative and will be developed in a planned matter.
- iv. A three-phase backbone line shall be constructed within any subdivision containing twenty (20) or more platted lots or as otherwise determined at the Cooperatives' sole discretion.

B. Facilities Charge

- i. The Cooperative will estimate the actual cost of the electric facilities required for primary and secondary service to the development based on current unit material and labor costs. The actual cost includes not only the cost of material and labor, but will include all engineering fees, right-of-way clearing, and all other costs associated with extending electric facilities into the development.
- ii. Lot Allowance
 - 1. No credit per lot will be applied to the cost of construction for developments with an overhead primary infrastructure.

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2. A credit of \$1,200 per lot will be applied to the estimated cost of construction for developments with an underground primary and secondary infrastructure.
 3. At the sole discretion of the Cooperative, the lot allowance may be credited to the developer at the time of Facilities Charge payment or at periodic phases in the growth of the development as defined by the Cooperative.
- iii. Without limiting the foregoing, Customer may be required to pay an advance CIAC in an amount to be determined by the Cooperative in accordance with the Cooperative's standard policies. The Cooperative will not commence engineering design of the extension until such advance CIAC is received.
 - iv. If street lights are installed by the Cooperative, the developer will pay 100% of the actual cost of the street light facilities which will include, but is not limited to, poles, fixtures, controls, conduit, wiring, and other electric equipment and devices as required. The actual cost includes not only the cost of material and labor, but also all engineering expenses, right-of-way clearing, and all other costs associated with installing street lighting in the development.
 - v. The developer will pay to the Cooperative in advance of construction the estimated cost of all electrical facilities. The developer may be required to pay a Reimbursement Contribution in addition to the CIAC, to compensate an Initial Contributor which previously paid CIAC for the construction of a qualifying facility
 - vi. The Cooperative may refuse service to any or all lots until the actual cost of construction is paid in full.

C. Contract Term.

- i. There will be no contract term required under this line extension type.

Ownership of Distribution Facilities. The Cooperative shall retain the ownership of all material and facilities installed by the Cooperative for the distribution of electric energy whether or not a CIAC has been made by the applicant/customer. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

Other than Cooperative equipment and Cooperative approved third party telephone and communications facilities, nothing shall be fastened or attached in any manner to the Cooperative owned poles or other facilities, except for Member owned electrical service equipment and electrical conductors, which, if approved by the Cooperative, shall be permitted to be attached to Cooperative's meter pole at Member's point of delivery, in a manner consistent with National Electric Code, any applicable governmental codes and Cooperative requirements.

Contribution in Aid to Construction. Contributions necessary for construction of facilities which will be used by the applicant/customer are contributions in aid to construction and are not refundable, subject to the results of any true-up for work estimated to cost \$10,000.00 or more as provided above under Line Extension and Construction Charges. Contributions in aid of construction are subject to State and Local taxes, where applicable.

Relocation of Facilities. The Cooperative will relocate its facilities on applicant's/customer's premises provided applicants/customer has (1) provided a satisfactory easement for the new facilities; and (2) paid in advance an estimate of all costs for the removal of the old facilities, less salvage value, and all costs for the construction of new facilities.

Lighting – If existing facilities are not available where customer desires an applicable light fixture, the Cooperative may, at its sole discretion, install, own and maintain lighting facilities for standard construction installations. Customer will pay as contribution in aid of construction the cost of all facilities, which are dedicated to serving only lighting.

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For the installation to be considered standard construction, it must meet the following criteria:

1. Include only one 30-foot wooden pole with overhead secondary service.
2. Be located in an area accessible to Cooperative personnel. Accessibility to fixture and associated facilities must be maintained or service may be terminated.
3. Include fixtures on the Lighting Rate Schedule.
4. Fixture energy usage must be un-metered.

Customer will be required to:

1. Execute a Security Light Agreement for a term of not less than one (1) year at the applicable rate schedule.
2. Pay in advance as contribution in aid of construction the estimated cost of construction, if the light is not installed on an existing pole where secondary service is available. Contribution in aid will include the cost of non-standard fixtures, bulbs and brackets (See Lighting Tariff). Upon completion of the work order, the customer will be billed or refunded the difference between the estimated cost of construction, paid in advance, and the actual cost of construction. The costs of light fixtures and standard installation will not be refunded.
3. Pay a Trip Fee for installation if the light is installed on an existing pole where secondary service is available.
4. Pay an Engineering Fee, if required.
5. Execute a Right-of-way Easement, if required.

Non-standard construction consists of construction, which does not meet the standard construction criteria. Some of the guidelines the Cooperative will use to determine such include the following:

1. The Cooperative will evaluate all non-standard construction requests to determine construction requirements and the extent of safety and liability issues.
2. Non-standard construction requests requiring multiple poles, non-wood poles or specific lighting intensities (e.g., parking lots, baseball fields, roping arenas) may be referred to a lighting contractor. Customer is under no obligation to accept a contractor referred by Cooperative.

If the Cooperative determines that the non-standard construction requested could be built by the Cooperative, the following criteria must be met:

1. The fixture must be located in an area accessible to Cooperative personnel. Accessibility to fixture and associated facilities must be maintained or service may be terminated.
2. Execute a Security Light Agreement for a term of not less than one (1) year at the applicable rate schedule.
3. Pay a Trip Fee for installation if the light is installed on an existing pole where secondary service is available.
4. Pay in advance as contribution in aid of construction the estimated cost of construction, if the light is not installed on an existing pole where secondary service is available. Contribution in aid will include the cost of non-standard fixtures, bulbs and brackets (See Lighting Tariff). Upon completion of the work order, the customer will be billed or refunded the difference between the estimated cost of construction, paid in advance, and the actual cost of construction. The costs of light fixtures and standard installation will not be refunded.
5. Pay an Engineering Fee, if required.
6. Execute a Right-of-way Easement, if required.
7. Include only fixtures listed on the Lighting Rate Schedule.
8. Fixture energy usage will be un-metered.

ACCESS

Customers and Applicants will provide unrestricted access to customer's/applicant's premises to inspect, install, disconnect, remove, repair, 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 customer. Failure to provide unrestricted access for the above purposes may, at

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Cooperative's option, be sufficient cause for discontinuance of service. A Trip Fee may also be charged for each unsuccessful attempt made by the Cooperative to gain access to the Customer's or Applicant's premises.

BILLING

General Policy. Bills for electric service will be rendered monthly. The Cooperative shall charge a Dishonored Payment Fee for each check or other negotiable instrument, which is dishonored or returned to the Cooperative. A Trip Fee may be assessed on an account if Cooperative employees make a trip to collect an account. Any Customer having a check or other payment dishonored two or more times in a 12-month period may be required to pay cash, money order or certified check.

All electric energy sold by the Cooperative shall be charged for by standard watt-hour meter instruments, *except* where otherwise provided for by the applicable rate schedule or contract. The Cooperative will provide and install, and shall continue to own and maintain, all meters necessary for the measurement of electrical energy to its customer.

The Cooperative collects state and local taxes on taxable accounts and remits the collected amounts to the taxing agencies monthly. Customers must apply to the Comptroller of the State of Texas or the local tax authority for a refund of previously collected taxes.

Due Date. The Cooperative desires to assist its customers by instituting and maintaining clear and definite billing procedures and due dates. Therefore, each month, the Cooperative shall utilize one of the four billing cycles described below to bill each electric account. The due date for the billing cycle will be indicated on each bill. The due dates shall be as follows: cycle 1 – due the 21st of each month, cycle 2 – due the 28th of each month, cycle 3 – due the 7th of each month, and cycle 4 – due the 14th of each month; provided, however, that in no event shall the due date for any bill be earlier than the earliest date allowed under applicable law, rule or regulation. The Cooperative may develop other special billing cycles as the need arises. A bill is considered delinquent if not received at the Cooperative or at the Cooperative's authorized payment agency by the Cooperative's close of business on the due date indicated on the bill. If the due date falls on a Cooperative holiday or weekend, the due date for payment purposes shall be the close of business the next business day after the due date.

The Cooperative shall grant a minimum of 16 calendar days between the billing date and the due date for payment to be made. Delinquent accounts may be disconnected on the 10th calendar day following the mailing of a delinquent notice. The date the account may be disconnected may not fall on a Friday, holiday or weekend, but will fall on the next business day after the 10th day. Bills may be paid at any Cooperative area office, on the Cooperative's website, by telephone, or at any authorized Cooperative pay station.

Fee on Delinquent Bills. A one-time Delinquent Fee may be applied to a delinquent bill. The fee may not be applied to any balance to which the fee was applied in a previous billing. No such fee shall apply to non-profit or governmental accounts under this section.

Processing. The Cooperative shall charge a Processing Fee for activities which result in the transfer of an existing account of the Cooperative. A fee will not be charged when a new membership fee is required.

Real Estate Show Fee. Temporary residential service will be provided for a non-refundable daily fee, four day maximum, to show residential property to potential buyers or renters. A membership fee and Trip Fee will not be required for such service.

Easement Release Fee. The Cooperative shall charge an Easement Release Fee for processing a request from a landowner to release a previously filed Cooperative easement.

Trip Fee. Except as provided in this tariff, the Cooperative shall charge a Trip Fee for each trip to Customer's premises which is requested by the Customer or reasonably necessary under this tariff or standard operating practice (e.g. trip to Customer's premises for collection of a bill, reconnection, or trouble report investigation).

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No charge shall be made to investigate an outage or service irregularity caused by the Cooperative or the Cooperative's facilities.

Disconnection and Reconnection Procedures. If a customer's service is disconnected or reconnected at the request of the customer, the customer's account shall be assessed a Trip Fee if the customer's service has been disconnected at the same location within the previous 12 months. If the Cooperative disconnects a customer's service due to nonpayment, the customer's account shall be assessed a Trip Fee when the service is disconnected or subsequently reconnected. Should a customer request the restoration of service Monday through Friday after 4:00 p.m., on weekends, or on an observed holiday, and if the Cooperative complies with such request, the customer's account shall be assessed a Trip Fee for after hours reconnection. If a customer's service is disconnected for nonpayment, a request for reconnection of the service will not be considered until all amounts owed, including without limitation any applicable fees, are paid in full and customer has delivered any required deposit for each meter to be reconnected. Requests for same day service reconnection will only be considered if received Monday through Friday, excluding observed holidays. For a request for same day service reconnection to be considered, **full payment must be received by the Cooperative no later than 5:00 p.m. on the day of the request.** Cash payments will not be accepted at the customer's service location. Upon receipt of all required payments and deposits prior to 5:00 p.m., the Cooperative will make reasonable efforts to reconnect the customer's service the same day. However, the Cooperative reserves the right to postpone reconnection in the event an emergency situation or other circumstances beyond the Cooperative's control prevent the Cooperative from reconnecting service the same day.

For payments received after 5:00 p.m., reconnection of service will be scheduled for the following business day. The CEO or his designated representative will process requests for same day reconnection of service on a case-by-case basis under the conditions described above. If a same day reconnection of service is approved, the customer's account shall be assessed the appropriate Trip Fee.

If, due to nonpayment, a customer's service is either disconnected or disconnected and subsequently reconnected remotely through an automated meter, the customer's account shall be assessed a Remote Fee. If the Cooperative determines that remote disconnection or reconnection is not possible, the customer's account shall be assessed the appropriate Trip Fee.

Deferred Payment Plan. A deferred payment plan is a written agreement using the approved form between the Cooperative and a customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. The Cooperative may offer, upon request, a deferred payment plan to any residential customer who has expressed an inability to pay all of his or her bill. If that customer:

1. Has not been issued more than two disconnection notices at any time during the preceding 12 months, or
 2. Has not been issued a Deferred Payment Plan in the preceding 12 months, said customer may qualify for the plan.
1. Every deferred payment plan entered into shall provide that:
 - A. Service will not be discontinued if the customer pays current bills and the agreed amount of the outstanding bill, and
 - B. Agrees to pay the delinquent balance in installments until the bill is paid in full.
 2. For purposes of determining the payment plan, the following shall be considered:
 - A. Size of the delinquent account;
 - B. Customer's ability to pay;
 - C. Customer'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 customer.
 3. If a customer has not fulfilled the terms of a deferred payment plan, the Cooperative shall have the right to disconnect service.

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4. The Cooperative will not refuse a customer participation in the deferred payment plan on the basis of race, color, national origin, gender religion, age or disability.
5. A deferred payment plan may be made by visiting the Cooperative's business offices or contacting the Cooperative by telephone. If the customer visits the Cooperative's business office, the Cooperative may ask the customer to sign the deferred payment plan. The Cooperative will provide the customer with a copy of the signed plan. If the agreement is made over the telephone, the Cooperative shall send a copy of the plan to the customer.
6. If the customer'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 Customer, taking into account the changed economic and financial circumstances of the customer.
7. The Cooperative is not required to enter into a deferred payment plan with any Customer who is lacking sufficient credit or a satisfactory history of payment for previous service when that Customer has had service from the Cooperative for three months or less.

Payment Arrangements. A payment arrangement is any arrangement or agreement between the Cooperative and a customer in which an outstanding bill will be paid after the due date of the outstanding bill, but before the due date of the next bill. If a customer does not fulfill the terms of such payment arrangement, the Cooperative will have the right to disconnect service. If a disconnect notice was issued prior to the payment arrangement being made, such notice shall suffice as notice to the customer. If payment arrangement is made prior to issuance of a disconnect notice, such notice must be issued before the customer's service may be disconnected.

Over-billing and Under-billing. If billings for Cooperative service are found to differ from the Cooperative's lawful rates for the service being purchased by the customer, or if the Cooperative fails to bill the customer for such service, a billing adjustment shall be calculated by the Cooperative. If the customer is due a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by the Cooperative within three billing cycles of the bill in error, interest shall not accrue. Unless otherwise provided in this section, if an overcharge is not adjusted by the Cooperative within three billing cycles of the bill in error, interest shall be applied to the amount of the overcharge at the rate set by the Cooperative annually for a calendar year. Interest on overcharges that are not adjusted by the Cooperative within three 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 customers 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 or rule. Interest shall not apply to undercharged amounts unless such amounts are found to be the result of meter tampering, bypass, or diversion by the customer, as defined in § 25.126 of the Substantive Rules of the Public Utility Commission. Interest on undercharged amounts shall also be compounded on an annual basis and shall accrue from the day the customer is found to have first tampered with, bypassed or diverted electric service. If the customer was undercharged, the Cooperative may backbill the customer for the amount, which was under-billed. The backbilling is not to exceed six months unless the Cooperative can produce records to identify and justify the additional amount of backbilling or unless such undercharge is a result of meter tampering, bypassing, or diversion by the customer as defined in this tariff. However, the Cooperative may not disconnect service if the customer fails to pay charges arising from an under-billing more than six months prior to the date the Cooperative initially notified the customer 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 customer as defined in this tariff. If the under-billing is \$25 or more, the Cooperative shall offer the customer 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 is not required to offer a customer a deferred payment plan.

Estimated Bills.

1. The Cooperative shall estimate consumption of energy for a billing period if a reading is not available in time for computer billing.

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2. If the estimated readings are due to the Cooperative's inability to obtain readings from an automated meter, the customer will not be charged a fee to read the meter.

Disputed Bills.

1. In the event of a dispute between a customer and the Cooperative regarding any bill for service, the Cooperative shall make such investigation as shall be required by the particular case, and report the results to the customer.
2. In the event of a disputed bill, the customer will not be required to pay the disputed portion of the bill for a period not to exceed 60 days. However, payment of the average monthly usage will be required. The customer's average monthly usage at current rates shall be the average of the customer's gross electric service for the preceding 12-month period. Where no previous usage history exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar customers and under similar conditions.

Notification of Alternative Payment Programs or Payment Assistance. Anytime a customer contacts the Cooperative to discuss their inability to pay a bill or indicate that they are in need of assistance with their bill payment, the Cooperative will inform the customer of all available alternative payment programs.

Adjusted Bills Due to Meter Tampering. In the event of meter tampering, bypassing, or other service diversion any of the following methods of calculating such bills may be used:

1. Estimated bills based upon service consumed by that customer at that location under similar conditions during periods preceding the initiation of meter tampering or service diversion. Such estimated bills shall be based on at least 24 consecutive months of comparable usage history of that customer when available, or less history if the customer has not been served at that site for 24 months;
2. Estimated bills based upon that customer's usage at that location after the service diversion has been corrected;
3. In cases of a tampered meter where the amount of actual unmetered consumption can be calculated after testing the meter using industry recognized testing procedures, bills may be calculated for the consumption over the entire period of meter tampering;
4. In cases of meter bypassing or other service diversion, where the amount of actual unmetered consumption can be calculated by industry recognized testing procedures, bills may be calculated for the consumption over the entire period of meter bypassing or other service diversion;
 - A. The Cooperative may use other methods of calculating bills for unmetered electricity when the usage of other methods can be shown to be more appropriate in the case in question.
 - B. The Cooperative will charge for all labor, material and equipment necessary to repair or replace all equipment damaged due to meter tampering or bypassing or other service diversion. An itemized bill of such charges must be provided to the customer.
 - C. The Cooperative will charge a Meter Tampering Fee for costs related to discovery, assessment, documentation, bill calculation, and restoration of service associated with the incident.

Final Bills. Upon request for disconnection, the customer is required to furnish a forwarding address.

Power Factor Adjustment. The customer agrees to maintain unity power factor as nearly as practicable. However, demand charges may be adjusted to correct for average power factors lower than 90% lagging and may be so adjusted for other customers if and when the Cooperative deems necessary. Such adjustments will be made by increasing the measured demand to an equivalent demand that would yield a 90% power factor using the following calculations.

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1. $\sqrt{(\text{Actual Demand Used})^2 + (\text{KVAR Used})^2} = \text{KVA}$

2. $\left[\frac{\text{Actual Demand Used}}{\text{KVA}} \right] \times 100 = \text{Power Factor}$

If the Power Factor is less than 90%;

3. $90.00\% - \text{Power Factor} = \text{Penalty \%}$

4. $\text{Actual Demand Used} \times 0.90 = \text{Demand Equivalent}$

5. $\frac{\text{Demand Equivalent}}{\text{Power Factor}} = \text{Adjusted Demand}$

DISCONTINUANCE OF SERVICE

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

Disconnection for Delinquent Bills. A customer's service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 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 10 days prior to a stated date of disconnection. 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 a Cooperative's authorized payment agency is considered payment to the Cooperative. The company shall not issue late notices or disconnect notice to the customer earlier than the first day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Cooperative's authorized payment agency.

Disconnection with Notice. Cooperative service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account for service or failure to comply with the terms of a deferred payment agreement.
2. Violation of Cooperative 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 customer and the customer is provided with a reasonable opportunity to remedy the situation.
3. Failure to comply with the deposit or guarantee arrangements where required.
4. Failure to grant unrestricted access to Cooperative facilities.
5. Failure to pay for damages to Cooperative facilities by customer.

Disconnection without Notice. Cooperative service may be disconnected without notice where:

1. A known hazardous or unsafe condition exists for as long as the condition exists, or
2. 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
3. In instances of tampering with the Cooperative company's meter or equipment, bypassing the same, or
4. Other instances of diversion as defined in this Tariff.

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Where reasonable, given the nature of the hazardous or unsafe 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 affected residential unit as soon as possible after service has been disconnected.

Disconnection Prohibited. Cooperative service may not be disconnected for any of the following reasons:

1. Delinquency in payment for Cooperative service by a previous occupant of the premises.
2. Failure to pay for merchandise or charges for non-utility service provided by the Cooperative.
3. Failure to pay for a different type or class of service unless fee for such service is included on the same bill.
4. Failure to pay the account of another customer as guarantor thereof, unless the Cooperative has in writing the guarantee as a condition precedent to service.
5. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billing.
6. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due.
7. Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter-reading plan, unless the Cooperative is unable to read the meter due to circumstances beyond its control.

Disconnection on Holidays or Weekends. Unless a hazardous or unsafe condition exists, or unless the customer 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 collection and reconnecting service.

Disconnection for Ill and Disabled. The Cooperative will not discontinue service to a delinquent residential customer permanently residing in an individually metered dwelling unit when that customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill. Each time a customer seeks to avoid termination of service under this rule, the customer 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 16 days of issuance of the bill. A written statement must be received by the Cooperative from the physician within 26 days of the issuance of the utility bill. The prohibition against service termination provided by this rule shall last 63 days from the issuance of the utility bill or such lesser period as may be agreed upon by the Cooperative and the customer or physician. The customer who makes such request shall enter into a deferred payment plan.

Disconnection to Energy Assistance Grantees. The Cooperative will not terminate service to a delinquent residential customer for a billing period in which the customer 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 an award sufficient to cover the bill, or a portion of the bill so that the customer can successfully enter into deferred payment plan for the balance of the bill.

Disconnection During Extreme Weather. On a day when the previous day’s highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at that level for the next 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), an electric Cooperative cannot disconnect a customer until the Cooperative ascertains that no life-threatening condition exists in the customer’s household, or would exist, because of disconnection during severe weather conditions.

Resolution of Disputes. Any customer or applicant for service requesting the opportunity to dispute any action or determination of the Cooperative under the customer service rules of this tariff 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 customer’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. If the customer chooses not to participate in such review or to make arrangements for such review to take place within five

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days after requesting it, the Cooperative may disconnect service, providing notice has been issued under standard disconnect procedures. The results of the supervisory review must be provided in writing to the customer within 10 days of the review, if requested.

Disconnection of Master-Metered Apartments. When a bill for utility services is delinquent for a master-metered apartment complex (defined as a submetered or nonsubmetered building in which a single meter serves five or more residential dwelling units), the following shall apply:

1. The Cooperative will send a notice to the customer as required in this section. At the time such notice is issued, the Cooperative shall also inform the customer that notice of possible disconnection will be provided to the tenants of the apartment complex in six days if payment is not rendered before that time.
2. At least six days after providing notice to the customer and at least four days prior to disconnect, the Cooperative shall post a minimum of five 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 service to this apartment complex is scheduled for disconnection on (date), because (reason for disconnection).”

Disconnection for Non-payment of Electric Service Charges for Families with Military Personnel Serving in a Combat or War Zone and for Certain Customers of the Reserve Component.

The Cooperative will not disconnect a customer’s residential electric utility service for Customer failure to pay for such service, if the Customer, 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 customer 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 customer or his or her family member that the customer, a spouse, or the 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 will offer a deferred payment plan under this subsection to any residential customer who expresses an inability to pay for electric service because of the service of the customer, a spouse, or the head of the household on military duty in such a combat or war zone or as a member of the reserve component on military duty that is directly related to such hostilities. Upon the cessation of hostilities or the return of the person serving military duty, whichever occurs later, and upon request by a customer, the Cooperative will offer subsequent renegotiations of a deferred payment plan agreement under reasonable terms and conditions for the outstanding balance owed for electric utility service charges. Such renegotiations shall include a deferred payment plan under this subsection with terms extending up to 12 months for the unpaid balance.
3. A deferred payment plan offered under this subsection must be in writing on the Cooperative approved form.
4. Any deferred payment plan under this subsection must not refuse a customer participation in such a program on the basis of race, color, religion, gender, age or disability.
5. A deferred payment plan may be made by visiting a Cooperative’s area office or contacting the Cooperative by telephone. If the Customer visits an area office, the Cooperative will require the Customer to sign the deferred payment plan. The Cooperative will provide the Customer with a copy of the signed plan. If the agreement is made over the telephone, the Cooperative will send a copy of the plan to the Customer.

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6. Interest or penalties shall not be assessed under any deferred payment plan authorized in this subsection.

METERS

Meter Reading

1. Meter Unit Indication. In general each meter shall indicate clearly the kilowatt-hours or other units of service for which charge is made to the Customer.
2. Reading of Meters. All non-automated meters will be read at monthly intervals, and as nearly as possible on the corresponding day of each meter-reading period, but may be read at other than monthly intervals if the circumstances warrant.
3. Automated Meters. Will be read by the Cooperative, and such readings will be considered an actual reading for billing purposes.

Meter Tests on Customers' Request. The Cooperative will, upon the request of a Customer, and, if they so desire, in their presence or in that of an authorized representative, make without charge a test of the accuracy of the Customer's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the Customer if they desire to observe the test. The test shall be made at the Cooperative's test laboratory. If the meter has been tested by the Cooperative, or by an authorized agency, at the Customers request, and within a period of four years the Customer 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, Incorporated, the Cooperative will charge Residential Customers a Meter Test Fee which reflects the cost to test the meter. All other classifications of Customers will be assessed the actual costs. Following the completion of any requested test, the Cooperative will promptly advise the Customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Bill Adjustment Due to Meter Error. If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Incorporated, proper correction will be made of previous readings for the period of six months immediately preceding the removal of such meter from service for the test, or from the time the meter was in service since last tested, but not exceeding six 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 Customer 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 will make a charge for units used, but not metered, for a period not to exceed 3 months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

Meter Tampering. For purposes of this section, meter tampering, bypass, or diversion shall be defined as tampering with the Cooperative's meter or equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter, objects attached to the meter to divert service or to bypass, insertion of objects into the meter, and other electrical and mechanical means of tampering with, bypassing, or diverting electrical service.

Advanced Meter Opt Out Program

1. Request to Opt Out of Advanced Meter Service
A member may make a request to opt out of using the Cooperative's advanced meter service at the member's service location. The Cooperative may grant the request subject to the qualifications and conditions in the Cooperative's tariff.
2. Disclosure Form

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Each member making a request to participate in the Advanced Meter Opt Out Program is required to sign the Cooperative's disclosure form acknowledging that:

- A. The member will be required to pay the costs associated with initiating non-standard metering service, the ongoing costs associated with the manual reading of the meter, and other reasonable fees and charges the Cooperative may assess that are associated with the non-standard metering service.
 - B. The fees and charges for participating in the Advanced Meter Opt Out Program are currently set as indicated in the fee schedule, which may be changed by the Cooperative. (see Section 6 – Interest Rate and Fee Schedule)
3. Meter Readings

Each member participating in the Advanced Meter Opt Out Program will be charged a monthly fee (see fee schedule) for non-standard manual meter readings and for processing the readings for each service location.

If a meter is unable to be read by the Cooperative in any month, the monthly fees will apply and the usage for that month will be estimated based on the member's previous usage. Any under-billing or overbilling resulting from an estimate will be adjusted after the meter is read.

4. Terminating Non-standard Metering Service

A member receiving non-standard metering service may terminate that service by notifying the Cooperative. The customer shall remain responsible for all costs related to non-standard metering service until the service is finally terminated.

CONTINUITY OF SERVICE

Change in Character of Service. In case any change is made by the Cooperative in the type of service rendered which would adversely affect the efficiency of operation or the adjustment of the equipment of Customers, all Customers who may be affected will be notified by the Cooperative at least 60 days in advance of the change or if such notice is not possible, as early as feasible. Where adjustments or replacements of the Cooperative's standard equipment must be made to permit use under such changed conditions, adjustment shall be made by the Cooperative without charge to the customers, or in lieu of such adjustments or replacements, the Cooperative may make cash or credit allowances based on the duration of the change and the degree of efficiency loss.

Customer Loads. Single-phase motors in excess of 3/4 horsepower must be 240 volts. Motors having a rated capacity in excess of 10 horsepower must be three-phase, provided that Service to single-phase motors larger than ten horsepower may be considered at the discretion of the Cooperative by performing an engineering analysis at the requesting member's expense. This analysis would determine the maximum allowable horsepower for the existing system and the associated maximum allowable starting current. If the Cooperative consents to providing service to a single-phase motor larger than ten horsepower, the member would then be required to install the necessary equipment to limit starting current before operating such motor. Motors supplied by single-phase to three-phase converters are considered as being single-phase loads. All new motors, 100 HP or in excess of 100 HP, shall be required to have a reduced voltage or part-winding starter. This includes replacement of existing motors. Certain loads creating disturbances to the cooperative system, or to the service of other Customers, may be declined by the Cooperative, and corrective action must be taken by the Customer to limit such interference to the satisfaction of the Cooperative.

Equipment Necessary to Limit Adverse Effect. The Cooperative may require Customer to provide, at Customer's expense, suitable apparatus to limit the effect of voltage fluctuations caused by electric

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equipment in the Customer's installation where Customer is found to be operating electrical equipment which produces voltage fluctuations, interference or distorted wave forms which adversely affect electric service provided by Cooperative to Customers.

Voltages. The Cooperative shall, so far as practical, maintain its standard voltages within the following limits:

1. Residential, irrigation, and commercial service voltage shall be plus or minus 5% of the standards established by the American National Standards Institute.
2. For service rendered primarily for power purposes, voltage variation shall be plus or minus 10% of the standards established by the American National Standards Institute.
3. A greater variation at voltage than the above specified may result in the case of emergency service, or other extenuating circumstances. In such cases, the best voltage regulations which are practicable under the circumstances shall be provided. Variations in voltages in excess of those specified, caused by action of the elements, operation of power apparatus on Customer's premises which necessarily require large starting currents and infrequent and unavoidable fluctuations of short duration due to station or system operations shall not be considered violations of this rule.

Standard secondary voltages of the Cooperative are based on 120 volts. Voltage frequency shall be 60 cycles per second.

Primary Service

In the event it is necessary at some future time for the Cooperative in its sole discretion to change primary voltage or make other changes in its electric delivery system such that metering equipment, transformers and/or any other customer-owned facilities and equipment must be changed to continue receiving service at the new primary voltage level, the full cost of and responsibility for any change and/or additions to customer-owned equipment will be borne by the customer.

Limitation of Liability for Service Interruption, Irregularity, and Force Majeure. The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes beyond the reasonable 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.

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

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 (a), the Cooperative shall be liable only for that portion of the damages 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.

CAPITAL CREDITS

Unless a new address is obtained, no future capital credits will be mailed to a customer if capital credits of such customer have been mailed to the current address indicated in the capital credit records and have been returned as undeliverable. Capital credits which are not mailed due to an undeliverable address will be considered unclaimed.

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Section 6 - INTEREST RATE and FEE SCHEDULE

Interest Rates

Customer Deposits	The Cooperative shall pay interest on any required deposits at the annual rate set by the Public Utility Commission of Texas on December 1 of the preceding year pursuant to Texas Utilities Code §183.003.
Overbillings and Underbillings	Interest on utility overbillings and underbillings shall be paid at the rate set by the Public Utility Commission of Texas on December 1 of the preceding year pursuant to Title 16, Texas Administrative Code, sections 25.28(c), 25.28(d), 25.480(d), 25.480(e), 26.27(a)(3), and 26.27(b)(3).
Delinquent Fee	5%

Fee Schedule

Meter Test Fee	\$75.00	Per test
Dishonored Payment Fee*	\$30.00	Per dishonored check or payment
Trip Fee	\$125.00	Per trip (M – F, excluding observed holidays, 8:00 a.m. – 4:00 p.m.)
Trip Fee (After Hours)	\$175.00	Per trip (outside standard Trip Fee hours)
Engineering Fee	\$100.00	Per meter
Meter Tampering Fee	\$500.00	Per occurrence
Processing Fee	\$25.00	For one to five accounts
	\$5.00	Per account after the first five
Boundary Amendment Fee	\$1,000.00	Per request
Remote Fee	\$40.00	Per meter
Real Estate Show Fee	\$50.00	Per day (4-day maximum)
Easement Release Fee	\$300.00	Per easement
Advanced Meter Opt Out Fee	\$177.00	One time initial meter change fee
	\$88.00	Monthly

Fees may be billed to existing customers.

Fees are subject to State and Local taxes, where applicable.

*Per Texas Business & Commerce Code § 3.506(b), the maximum fee is \$30.

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Small Power Production and Cogeneration. This section of the tariff applies to the interconnection and parallel operation of all qualifying power generating installations having a design capacity at 100 kilowatts or less as well as to electric utility service to such generating installations. If any part of these sections shall be in conflict with any other provision of this tariff, these sections shall control. By agreement, the Cooperative and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity.

Obtaining Interconnection. Any person owning or operating a qualifying power generating installation (hereafter "Producer") and desiring to interconnect with the cooperative's system shall:

1. Comply with Tariff. Apply for interconnection, provide an easement satisfactory to the cooperative, and otherwise comply with the tariff of the Cooperative.
2. Provide Information. At least 60 days in advance of interconnection, Producer shall submit a plan showing the electrical design of the generating installation including equipment for interconnection with the Cooperative's system. Producer shall also provide such additional information as may be required by the Cooperative. In the event Producer's plan involves the use of non-standard equipment or design techniques, the Cooperative may require such plan be certified by a registered professional engineer who is approved by the Cooperative. Any review or acceptance of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability or reliability of generating installations.
3. Pay for Extension of Cooperative's Facilities. Comply with conditions for extension of the Cooperative's distribution system as may be determined by the cooperative in accordance with the following extension policy.

If an extension of Cooperative's distribution system is required for sale or receipt of electric energy to or from a generating installation, whether or not in conjunction with another use, the Cooperative shall exercise prudent judgment on determining the conditions under which such extension will be made. Each case shall be viewed individually considering (1) cost to provide service, (2) longevity of the load, (3) annual load factor, (4) possibility of other loads developing along the proposed line extension, (5) longevity, capacity, and dependability of power to be received by the Cooperative, (6) anticipated annual revenue, and (7) compatibility with planned system improvements.

4. Provide Liability Insurance. Furnish a certificate from Producer's insurance carrier showing satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures Producer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Producer's generating equipment. The amount of such insurance coverage shall be at least \$500,000 per occurrence. The certificate also provide that the insurance policy will not be changed or canceled during its term without thirty (30) days written notice to the Cooperative.
5. Sign Contract. Sign and deliver to the Cooperative an Agreement for Interconnection and Parallel Operation of a Cogeneration or Small Power Production Installation; 100 kW or less, the form of which has been approved by the Public Utility Commission and is contained in these tariffs.

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Section 7 - ARRANGEMENTS WITH QUALIFYING FACILITIES (continued)

6. Complete Construction. Construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations.
7. Comply with Laws. Comply with applicable Federal, state and local laws, ordinances and regulations applicable to power generating installation.
8. Notify Cooperative. Notify the Cooperative in writing at least thirty (30) days in advance of energizing the small power generating installation and permit the Cooperative to inspect and test protective equipment.
9. Eliminate Conditions Preventing Interconnection. In the event that it comes to the attention of the Cooperative that there are conditions preventing safe interconnection and proper parallel operation, it shall notify Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected and Producer has provided at least ten (10) days written notice to the Cooperative.

The foregoing are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service.

Parallel Operation.

1. Installation. With the exception of only the Cooperative's meter(s) the Producer shall own and be solely responsible for all expense, installation, maintenance and operation of the power generating installation at and beyond the point where Producer's conductors contact Cooperative's conductors. The Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations and prudent engineering practice.
2. Self Protected Generating Installation. The Producer will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of the power generating installation in parallel with the Cooperative's electric distribution system. The equipment will have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the generating installation from the Cooperative's system in the event of an outage of the Cooperative's system or a malfunction of the power generating installation.

The Producer's power generating installation will also be designed, installed and maintained to be self-protected from normal and abnormal conditions in the Cooperative's electric distribution system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. The self protection will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular generating installation characteristics and/or distribution system characteristics so warrant.

3. Quality of Service. Producer's generating installation will generate power at the nominal voltage of the Cooperative's electric distribution system at the Producer's delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz plus or minus one-half (1/2) hz. Producer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety percent (90%) lagging or leading, the Producer will provide proper power factor correction (within ten percent (10%) of unity) or reimburse the Cooperative for the cost of any necessary correction.

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Section 7 - ARRANGEMENTS WITH QUALIFYING FACILITIES (continued)

The overall quality of the power provided by Producer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative's electric distribution system is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Producer's power generating installation, the Producer will correct the cause of such effects or reimburse the Cooperative for the cost of any required correction.

4. Safety Disconnect. The Producer, or at the Producer's option, the Cooperative, shall provide and install, at the Producer's expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by a Cooperative padlock. The Cooperative shall have the right to lock the switch open whenever, in the judgment of the Cooperative, (1) it is necessary to maintain safe electrical operating or maintenance conditions, (2) the Producer's power generating installation adversely affects the Cooperative's electric distribution system, or (3) there is a system emergency or other abnormal operating condition which warrants disconnection.

The Cooperative reserves the right to operate the disconnect for the protection of the Cooperative's system even if it affects Producer's power generating installation. In the event the Cooperative opens and closes the disconnect switch it shall not be responsible for energization or restoration of parallel operation of the generating installation. The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason. Producer shall continue to maintain insurance as required by the Cooperative prior to interconnection and shall provide proof of such insurance to the Cooperative at least annually.

5. Access. Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will, furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).
6. Modifications of Cooperative System. In the event that it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify its electric distribution system in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Cooperative for all just and reasonable costs of modifications which are allocable to the Producer's small power generating installation. The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices or upgrading of distribution system components.
7. Liability for Injury and Damages. Producer assumes full responsibility for electric energy furnished to him at and past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Producer arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Producer's generating installation except (i) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries,

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including death therefrom, to Producer or to employees of Producer or in the case of a residential Member/Producer, to all members of the household; and (ii) 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 facilities or any condition on Producer's premises or (b) the breach by Cooperative of any provision of any contract regarding purchase and/or sale of electrical energy or service between Cooperative and Producer.

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonable 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 proceeding 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 damages arising from personal injury, death or 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.

8. Metering. If the output of the Producer's generating installation is to be purchased by the Cooperative, it will be measured by meters as required for the metering option chosen by the producer. Any necessary meter(s) or meter modification in addition to one standard service meter will be installed, maintained and operated by the Cooperative at the Producer's expense. A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer. The Cooperative may, at its own expense, supply, install and maintain load research metering for the purpose of monitoring and evaluating the Producer's generating installation.

The metered output of Producers generating installation will be read by the Producer and, at the election of the Cooperative, accumulated or monthly readings may be checked at least monthly by representatives of the Cooperative.

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Producer or the Cooperative may reasonably request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the tests for a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the Cooperative and the Producer.

8. Notice of Change If Installation. Producer will notify the Cooperative in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If it comes to the Cooperatives attention that the modification will create

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or has created conditions which may be unsafe or adversely affect the Cooperative's system then it shall notify Producer and Producer shall immediately correct such condition.

9. Sales to Producer. Producer's rate class shall be designated by the Cooperative in accordance with the availability and type of service provisions in its rate schedules for all service including Backup, Supplementary, Interruptible, and Maintenance.

Purchases from Producer.

1. Rate. The Cooperative will pay Producer for all power purchased at the following rates:
 - A. Capacity- No payment except by separate firm power contract between the Producer and the Cooperative.
 - B. Energy - The metered kWh output from the Producer will be purchased at the Cooperatives total energy and/or fuel cost divided by the total KWHs delivered to the Cooperative as calculated from the most recent wholesale power bill and the monthly STEC/MEC power pooling cost distribution report.

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 of \$8.50 per month for metering and billing.

2. 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 facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Cogeneration and Small Power Installations; 100 kW or less.

Definitions.

1. Power Generating Installation, shall mean a small power production or cogeneration facility which is a "qualifying facility" under Subpart B of the Federal Energy Regulatory Commission's Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978 including any generator and associated equipment, wiring, protective devices, or switches owned or operated by Producer.
2. Producer means any person, firm, corporation, partnership, or other entity owning or operating a power generating installation.

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Revised – July 9, 2009, May 12, 2011

Section 8 – Distributed Generation (Small Power Production)

1. Certain Definitions

a. Small Power Generating Installation, Power Generating Installation, or Generating Installation.

Shall mean a small power production or cogeneration facility which has a design capability of 1 MW or less of connected generation including any generator, and associated equipment, wiring, protective devices, or switches, or switches owned or operated by Producer.

b. Producer.

Shall mean any person, firm, corporation, partnership, or other entity owning or operating a small power generating installation.

2. Small Power Production.

Sections 2 - 7 of this tariff apply to the interconnection and parallel operation of all small power generating installations having a design capacity of one (1) megawatt (MW) or less in accordance with the Cooperative's service rules and regulations, the Cooperative's Procedures and Guidelines for Member Owned Distributed Generation (the "DG Manual"), and prudent electric utility practice; as well as to electric utility service to such generating installations. If any part of these sections shall be in conflict with any other provision of this tariff, these sections shall control. By written agreement, the Cooperative and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity. In addition, the Cooperative reserves the right to reconsider and update this tariff every five (5) years or more frequently as circumstances warrant.

3. Obtaining Interconnection.

Any Producer desiring to interconnect with the Cooperative's system shall:

a. Comply with Tariff.

Become a Member of the Cooperative, provide an easement satisfactory to the Cooperative if required, and otherwise comply with the tariff of the Cooperative.

b. Be Responsible.

The Producer must be responsible for the safe and effective operation of the generating installation and demonstrate that the generating installation will be capably developed, constructed and operated, maintained, and repaired. The generating installation must not cause significant degradation of the safety, power quality, or reliability on the Cooperative's electric power system or other electric power systems interconnected to the Cooperative's electric power system.

c. Apply for Interconnection, Pay Application Fee, and Provide Information.

At least sixty (60) days in advance of the desired interconnection date, Producer shall submit the small power generator interconnection application, including payment of any nonrefundable application fee, and provide a general plan of the proposed generating installation showing the electrical design of the generating installation, including all major equipment for interconnection with the Cooperative's system as required by and detailed in the DG Manual. In the case of multiple facilities, a separate application including required application fees shall be submitted by the Producer for each interconnection point desired. Producer shall also provide such additional information as may be reasonably required and requested by the Cooperative to evaluate the installation plan.

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If applicable, a nonrefundable application fee will be required to be paid by the Producer before the Cooperative will consider the application. Application fees are as follows:

10 kW or smaller:	\$ 25.00
11 kW to 50 kW:	\$ 50.00
51 kW to 1 MW:	\$ 250.00
Over 1 MW:	Not Allowed Under This Tariff

The Cooperative may, at its sole discretion, waive the required application fee and other provisions of this tariff in the case of a proposed generating installation which is planned (i) to be operated in parallel with the Cooperative's system; (ii) with no intention to export power to the Cooperative; and (iii) that is of standard design and intended entirely as an emergency or backup power supply for a facility.

In the event Producer's plan involves the use of nonstandard equipment or design techniques, the Cooperative may require the Producer to obtain approval of the proposed generating installation plan by a professional engineer licensed in the state of Texas. Any review or acceptance of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost effectiveness, safety, durability or reliability of generating installations.

d. Pay for Interconnection Study and Extension/Upgrade of Cooperative's Facilities.

In cases where the generating installation is to be operated in parallel with the Cooperative's system and is intended to export power to the Cooperative's system, the Cooperative at its sole discretion may conduct a full interconnection study to determine the impact of the generating facility on the Cooperative's system as described in the DG Manual. The Producer will be required to reimburse the Cooperative for the full amount of the interconnection study in addition to any application fee(s). The Cooperative will bill the Producer for the exact cost of the study on a biweekly basis, and the Producer will pay the Cooperative upon receipt of any such bill(s). The Cooperative will complete the interconnection study within sixty (60) days following receipt of a completed application and the applicable application fee and shall provide a copy of the study to the Producer. The Cooperative will undertake any interconnection study in the order in which the completed applications have been received by the Cooperative on a nondiscriminatory basis.

Should the interconnection study indicate that portions of the Cooperative's electrical power system will require extension or upgrade as a result of the parallel operation of the generating installation, the Cooperative will require the Producer to execute a system upgrade contract covering the full costs of all upgrades or extensions of the Cooperative's transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment which at the sole discretion of the Cooperative are required to serve the generating installation before the Cooperative will interconnect the generating installation. The need for any extensions or upgrades will be determined during the interconnection study on a nondiscriminatory case by case basis.

In the event it is necessary at some future time for the Cooperative in its sole discretion to

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modify its electric delivery systems in order to serve the Producer's generating installation and/or purchase or continue to purchase the Producer's output, or because the quality of the power provided by the Producer's generating installation adversely affects the Cooperative's delivery system, or the Cooperative desires to change primary voltage or make other change in its electric delivery system, the Producer will reimburse the Cooperative for all costs necessary to modify or change out any electrical equipment required to continue to safely establish the interconnection of the Producer's generating installation with the Cooperative's system upon the receipt by Producer of any invoice(s) for such costs. The determination by the Cooperative to modify its electric delivery system will be made on a nondiscriminatory case by case basis.

e. Facility Charge.

The Producer may also be responsible for paying a facility charge as determined at the sole discretion of the Cooperative to recover any additional operation and maintenance expenses incurred by the Cooperative as a result of the Producer's generating installation. The facility charge will be determined during the interconnection study on a nondiscriminatory case by case basis.

f. Provide Liability Insurance and Waiver of Subrogation.

When required by law, Producer, at Producer's own expense, shall carry and maintain Worker's Compensation insurance covering Producer's employees. In such cases, Producer, at Producer's own expense, shall be required to carry Employer's Liability insurance. These coverages are to provide for the payment to Producer's employees and/or their dependents Worker's Compensation benefits, including Occupational Disease benefits in accordance with the law of the State of Texas. Producer hereby waives all rights of subrogation that Producer's insurers may have against the Cooperative, and its directors, officers, and employees.

i. Liability Insurance.

Additionally, Producer must comply (at Producer's expense) with the following insurance requirements:

1. For generating facilities smaller than or equal to 10 kW:

- a. At least seven (7) days prior to interconnection, the Producer must provide (at Producer's expense) proof of adequate insurance coverage in a form acceptable to the Cooperative.
- b. The amount of insurance coverage required to be provided by the Producer may be increased at the sole discretion of the Cooperative if the Cooperative considers the nature of the project to warrant such increase.
- c. The insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Cooperative.
- d. Following the installation of the interconnection and during the term of the Interconnection Agreement (defined below), the Producer shall provide proof of such insurance to the Cooperative upon request.

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2. For generating facilities larger than 10 kW and smaller than or equal to 50 kW:
 - a. At least seven (7) days prior to interconnection, the Producer must provide (at Producer's expense) proof of liability insurance coverage of no less than \$500,000 per occurrence in a form acceptable to the Cooperative. The Cooperative may require that the Cooperative be named as an additional insured on such liability insurance.
 - b. The amount of insurance coverage required to be provided by the Producer may be increased at the sole discretion of the Cooperative if the Cooperative considers the nature of the project to warrant such increase.
 - c. The insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Cooperative.
 - d. Following the installation of the interconnection and during the term of the Interconnection Agreement, the Producer shall provide proof of such insurance to the Cooperative upon request.
3. For generating facilities larger than 50 kW:
 - a. At least seven (7) days prior to interconnection, the Producer must provide (at Producer's expense) a certificate of insurance showing satisfactory liability insurance, including contractual liability insurance covering indemnity agreements, which insures the Producer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Producer's generating installation. The certificate shall also provide that the Cooperative is named as an additional insured.
 - b. The amount of insurance coverage required to be provided by the Producer shall be not less than \$1,000,000 per occurrence. The amount of such coverage and the type of insurance coverage required shall be acceptable to the Cooperative and may be amended from time to time by the Cooperative at the sole discretion of the Cooperative. Any such amendments will be made on a nondiscriminatory case by case basis.
 - c. The certificate shall provide that the insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Cooperative. The term of the insurance shall be coterminous with the term of the Interconnection Agreement or shall be specified to renew throughout the length of the Interconnection Agreement.

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- d. The Producer shall provide proof of such insurance to the Cooperative upon request and in any event no less frequently than annually.
- ii. Liability for Injury and Damages.

Producer assumes full responsibility for electric energy furnished to Producer at and past the point of interconnection, and Producer shall hold the Cooperative harmless from any and all claims for injuries to persons or for damage to property happening by reason of any negligence on the part of the Producer or any of the Producer's agents, employees, or in the case of a residential Member/Producer, any members of the household. Producer further agrees and understands that Cooperative assumes no liability for the safety of the person or property of Producer or Producer's servants, agents, employees, or members of Producer's household, and Producer further agrees to release Cooperative from any liability for damages or injury to the person and/or property of Producer or Producer's servants, agents, employees, or members of the household. Cumulative of the foregoing, Producer agrees to indemnify and hold Cooperative harmless from any and all actions or causes of actions, claims, demands, liabilities, loss, damage, injury, cost or expense of whatever kind of nature, including costs of litigation, attorney's fees and reasonable expenses in connection therewith, for injury to Producer and/or Producer's servants, agents, employees, or members of the household whether or not such actions, claim, demand, loss, injury or damage claim shall be valid or groundless. The term "injury" as used herein also covers death; and the release and indemnification provisions of this paragraph are binding upon the successor and assigns and estate of Producer. In addition to other matters covered hereby, the release and indemnification provisions of this paragraph also cover all claims for wrongful death under the Texas Civil Practice and Remedies Code. Producer expressly confirms that it is Producer's intent that all indemnity obligations and liabilities assumed by Producer shall be without monetary limit. PRODUCER EXPRESSLY AGREES TO RELEASE AND INDEMNIFY THE COOPERATIVE FROM AND AGAINST THE CONSEQUENCES OF THE COOPERATIVE'S OWN NEGLIGENCE (WHETHER SUCH NEGLIGENCE IS ACTIVE OR PASSIVE AND WHETHER SUCH NEGLIGENCE IS THE SOLE PROXIMATE CAUSE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH THE NEGLIGENCE OF PRODUCER OR OTHERS) RESULTING IN THE DAMAGES OR INJURY TO THE PERSON AND/OR PROPERTY OF PRODUCER OR PRODUCER'S SERVANTS, AGENTS, EMPLOYEES, OR MEMBERS OF THE HOUSEHOLD.
- g. Sign Contract.

Sign and deliver to the Cooperative an Agreement for Interconnection and Parallel Operation of Distributed Generation (an "Interconnection Agreement") for each interconnection point as detailed in the DG Manual. An Interconnection Agreement is required in all cases.
- h. Complete Construction.

Construct the small power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations in accordance with the provisions of the DG Manual.

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- i. Comply with Laws.
Comply with all federal, state, and local laws, ordinances and regulations applicable to the power generating installations being installed by the Producer.
- j. Notify Cooperative.
Notify the Cooperative in writing and permit the Cooperative or its agents to inspect and test any or all protective equipment required for the interconnection at least fourteen (14) days in advance of energizing the small power generating installation.
- k. Eliminate Conditions Preventing Interconnection.
In the event that it comes to the attention of the Cooperative that there are conditions preventing the safe interconnection and proper parallel operation of the Producer's generating installation, the Cooperative shall immediately notify Producer and Producer shall not be allowed to interconnect and/or initiate parallel operation until such conditions are corrected to the Cooperative's satisfaction and the Cooperative has provided the Producer with written confirmation of the Cooperative's satisfaction with such correction.
- l. Notice of Change in Installation.
Producer will notify the Cooperative in writing at least thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If the Cooperative determines, in its sole discretion, that the modification will create or has created conditions which may be unsafe or may adversely affect the Cooperative's system, then the Cooperative shall notify Producer, and Producer shall comply with the provisions set forth in Subsection 3(j) above.

The Cooperative will provide notice to the Producer of all costs to be recovered from the Producer regarding the application process or the actual interconnection, and such notice shall clearly explain the process to determine such costs. The Producer shall authorize these costs prior to the Cooperative incurring such costs. The foregoing are conditions precedent to any obligations of the Cooperative to interconnect the Producer's proposed generating installation or, if already interconnected, to maintain such interconnection.

4. Parallel Operation and Technical Requirements.
The following Section 4 outlines some of the technical requirements for interconnecting a small power producing installation with the Cooperative's system. The DG Manual contains a complete description of the Cooperative's technical interconnection and parallel operation standards and requirements.
 - a. Installation.
With the exception of only the Cooperative's meter(s), the Producer shall own and solely be responsible for all expense, installation, maintenance and operation of the small power generating installation. The Producer shall be responsible for designing, installing and maintaining the generating installation in accordance with (i) all applicable Cooperative guidelines and standards, (ii) prudent engineering practice, and (iii) all national, State, and local government requirements and electric utility standards for the safety of the public and personnel responsible for utility electric power system operations, maintenance and repair.
 - b. The Producer's generating installation must specifically be designed, installed and maintained in accordance with the Institute of Electrical and Electronic Engineers (IEEE): IEEE 1547TM—Standard for Interconnecting Distributed Resources with Electric Power

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Systems and IEEE 1547.1TM—Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems.

c. Self Protected Generating Installation.

The Producer (at Producer's expense) will furnish, install, operate, and maintain in good order and repair all equipment necessary for the safe operation of the small power generating installation in parallel with the Cooperative's electric system. The equipment will have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the generating installation from the Cooperative's system in the event of an outage of the Cooperative's system or a malfunction of the small power generating installation.

The Producer's small power generating installation will also be designed, installed and maintained to be self-protected from normal and abnormal conditions in the Cooperative's electric system. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, overvoltage, undervoltage, overcurrent, frequency deviation, and faults. The self protection will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular generating installation characteristics and/or electric power system characteristics so warrant. The Producer shall be responsible for the costs of any specialized protective functions. The determination by the Cooperative to require any specialized protective functions will be made on a nondiscriminatory case by case basis.

d. Quality of Service.

Producer's generating installation will provide power at the nominal voltage of the Cooperative's electric system at the Producer's delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz plus or minus one-tenth (1/10) Hz. Producer shall interconnect at a power factor that is at or as near one hundred percent (100%) as is practicable. In the event the Producer's power factor is less than ninety-five percent (95%) lagging or leading, the Producer will provide proper power factor correction (within five percent (5%) of unity) or reimburse the Cooperative the cost of any necessary correction. The overall quality of the power provided by Producer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative's electric system is not adversely affected in any manner. In the event that the adverse effects are caused in whole or in part by Producer's power generating installation, the Producer will correct the cause of such effects or reimburse the Cooperative for the cost of any required correction.

e. Safety Disconnect.

The Producer or the Cooperative shall provide and install, at the Producer's expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to Cooperative personnel at all times in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by a Cooperative padlock. The Cooperative shall have the right to lock the switch open whenever, in the judgment of the Cooperative, (1) it is necessary to maintain safe electrical operating or maintenance conditions, (2) the Producer's power generating installation adversely affects the Cooperative's electric system, or (3) there is a system emergency or other abnormal operating condition which warrants disconnection. The

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Cooperative reserves the right to operate the disconnect for the protection of the Cooperative's system even if it affects Producer's generating installation. The determination by the Cooperative to operate the disconnect will be made on a nondiscriminatory case by case basis. In the event the Cooperative opens and closes the disconnect switch the Cooperative shall not be responsible for energization or restoration of parallel operation of the generating installation. The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason.

- f. Access.
Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering at any time. In addition, and without limiting the foregoing, persons authorized by the Cooperative will have the right to access the Producer's generating installation during normal business hours and all emergency situations. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).
- g. Metering.
If the output of the Producer's generating installation is to be purchased by the Cooperative, it will be measured by meter(s) as required for the metering option chosen by the Cooperative. Any necessary meter(s) or meter modification in addition to one standard service meter will be installed, maintained and operated by the Cooperative at the Producer's expense. A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer. The Cooperative may, at its own expense, supply, install and maintain load research metering for the purpose of monitoring and evaluating the Producer's generating installation.
- h. Data Access – Communications Link.
In addition to all other charges, if requested by the Cooperative, the Producer will provide the Cooperative at Producer's 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 by the Cooperative.
5. Monthly Distributed Generation (DG) Service Charge.
Each billing period, the Producer shall be obligated to pay the applicable DG Service Charge(s) in addition to all charges indicated on the applicable retail rate:

<u>DG Service Charge</u>		
10 kW or smaller	@	no charge
11 kW to 50 kW	@	\$ 10.00 per meter/month
51 kW to 1 MW	@	\$ 50.00 per meter/month

An additional charge for meter reading by Cooperative personnel in any situation where the Cooperative-required remote access to meter reading is not feasible.

@ \$ 45.00 per meter/month

6. Sales to Producer.
All sales of electric power and energy by the Cooperative to the Producer shall be consistent with the applicable retail rate schedule established by the Cooperative as if there were no small power

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generating installation at the Producer's premise, including any additional charges provided for small power generating installations described in Section 5. The Producer shall also pay all rates and charges so listed in the applicable tariff sections.

7. Purchases from Producer.

a. Purchases from Producer – All Small Power Generating Installations.

Determination of billing shall be accomplished by interconnection through two meters, with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the Producer, or through a single meter with multiple registers, with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the Producer.

During each billing period, the Producer shall be compensated for energy supplied by the Producer, if any, at the Cooperative's avoided wholesale power cost as defined in Section 7(b). The Cooperative shall bill the Producer for the energy supplied by the Cooperative during each billing period according to the Cooperative's applicable retail rate schedule in addition to the DG Service Charge described in Section 5.

The Producer shall be subject to and solely responsible for any market charges related to the Producer's generating installation, including but not limited to scheduling, dispatching, and energy imbalance or any other fee or charge which may be imposed by ERCOT relating to the operation of small power generating facilities.

b. Avoided Wholesale Power Cost.

For the purposes of this small power production tariff, the Cooperative's avoided wholesale power cost will be calculated by dividing the prior 12 months' total wholesale power purchase cost (excluding demand costs, transmission costs, ERCOT and related fees, and distribution costs) by the prior 12 months' total kWh's purchased.

c. Refusal to Purchase.

The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all power contract requirements with its power supplier(s).

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 facility. Such refusal shall be based on system emergency constraints, special operating requirements, and adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of the Interconnection Agreement or this small power production tariff.