

Tariff

**For Electric Service Provided by
Guadalupe Valley Electric Cooperative, Inc.**



Office of the General Manager

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SECTION I

SERVICE RULES AND REGULATIONS

1.1 GENERAL INFORMATION

Introduction

Guadalupe Valley Electric Cooperative, Inc. (“Cooperative”) shall use reasonable diligence, under standard utility practices, to provide its consumers with central station electric service.

The “Rules and Regulations” contained in Sections I, II, III and the Rate Schedules contained in Section IV make up the “Tariff” of the Cooperative. This Tariff establishes the policies, rules, rates, and fees applicable to receiving electric energy or power and products or other services related to a Consumer using such electric energy or power and products and other services provided by the Cooperative (“Electric Service” or “Service”).

All Rate Schedules are subject to the terms and conditions set forth in the Rules and Regulations. Except as otherwise provided in a provision found in the Rules and Regulations, in case of conflict between any Rate Schedule and the Rules and Regulations, the Rate Schedule shall apply.

Description of Operations

The Cooperative purchases electricity wholesale and distributes to its consumers in all or part of twenty one (21) incorporated municipalities and to all or part of thirteen (13) Texas counties.

Statement of Non-Discrimination

The Cooperative is committed not to discriminate against any person on the grounds of race, color, religion, sex, national origin, age, or disability in its practices relating to requests for Electric Service.

1.2 TERMS AND CONDITIONS FOR ELECTRIC SERVICE

Requesting New Electric Service

Any person, corporation, organization, governmental entity, governmental subdivision, business trust, estate, partnership, association, or other legal entity that requests Electric Service from the Cooperative (“Consumer”) agrees to:

1. be a member of the Cooperative as defined in the Bylaws;
2. consume, receive, purchase, or otherwise use electric energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by the Cooperative;
3. comply with and be bound by the Governing Documents of the Cooperative as defined in the Cooperative’s Bylaws; and
4. grant the Cooperative: (a) the necessary easements on the Consumer’s property; (b) a right-of-entry onto the Consumer’s property; and (c) work with the Cooperative to obtain easements necessary on the property of others.

A Consumer must also comply with the following applicable conditions to receive Electric Service or continue receiving Electric Service:

1. pay any amounts required under the Tariff as well as any deposits that may be required to establish an account with the Cooperative;
2. complete any additional documents, agreements, or actions required by the Cooperative;
3. not have a past or present account with the Cooperative be past due; and
4. comply with all local, state, and national codes, as well as any technical specifications, rules, policies, and regulations of the Cooperative.

The Cooperative may waive any terms or conditions for receiving Electric Service and provide Electric Service to a Consumer under or by other terms and conditions that reflect sound cooperative business practices.

To maintain accurate records and the security of accounts, the Cooperative shall request some form of identification to establish an account with the Cooperative.

Easements and Right-of-Entry

The Consumer shall grant the Cooperative a written easement, right-of-way, or license for use of the Consumer's property as necessary and as reasonably agreed upon between the Consumer and the Cooperative in order to deliver Electric Service. The Consumer shall also work with the Cooperative to obtain any other easements necessary to deliver Electric Service to the Consumer. The Consumer shall grant the Cooperative reasonable access or a right-of-entry to real property owned by the Consumer for the purpose of: (1) restoration efforts; (2) addressing an emergency situation; or (3) for any other reasonable purpose required to provide Electric Service.

Refusal of Electric Service

The Cooperative may decline connecting Electric Service for any of the following reasons:

1. A Consumer's electric facilities or installation of equipment is known to be hazardous or of such character that Electric Service cannot be provided in a safe manner as determined by the Cooperative.
2. A change of a Consumer's identity to avoid or evade payment of amounts due the Cooperative.

1.3 CLASSIFICATION OF ELECTRIC SERVICE AND SPECIAL CIRCUMSTANCES

Rate Classification

Consumers shall specify their electrical requirements to the Cooperative. The Cooperative shall determine and select the proper Consumer classification and Rate Schedule for Consumers. Consumers can obtain copies of the Cooperative's Rate Schedules at any of the Cooperative's offices.

Temporary Electric Service

When Electric Service is to be used for a specified period of time, with full knowledge that the Electric Service shall be retired upon completion of the work or project, it shall be deemed "Temporary Service". Temporary Service shall be installed when the Consumer agrees to pay in advance the total costs for construction and removal of the electric facilities. Electric Service charges shall be under the applicable Rate Schedule, and the terms and conditions of the Cooperative's Rules and Regulations.

Idle Electric Service

Electric Service that has been disconnected but where the electric facilities remain in place shall be deemed "Idle Service". It shall be the policy of the Cooperative to retire such Idle Service when, in the opinion of the Cooperative, circumstances warrant the removal of the electric facilities.

Agreements for Electric Service In Place of Tariff

An agreement or contract for Electric Service outlining different terms and conditions than those specified in the Tariff may be entered into when determined to be in the best interest of the Cooperative by the General Manager and with approval from the Cooperative's Board of Directors.

1.4 CREDIT/DEPOSITS

Credit Requirement

For Consumers choosing to sign up for pre-paid metering service, a credit balance equal to the current Service Availability Charge, as stated in the Tariff, will be required in order to activate or reconnect services.

Deposits

To secure payment for Electric Service and to establish an account with the Cooperative, or in order to continue receiving Electric Service, the Cooperative may require a Consumer to provide a deposit. The Cooperative may conduct a credit check to determine the need for a deposit in establishing an account for Electric Service. A Consumer may opt out of a credit check by submitting a deposit as determined by the Cooperative.

A Consumer may also prove financial responsibility in another way if approved by the Cooperative.

Deposit Amount

Except under special contract, a deposit for Electric Service may not exceed one-sixth (1/6) of the estimated annual charges for such Electric Service.

Additional Deposits by Existing Consumers

Additional deposits may be required under the following conditions:

1. if after review of the Consumer's account, the Cooperative has determined that the Consumer's actual use of Electric Service is at least twice the amount the Cooperative originally estimated.
2. an account has been past due within the previous twelve (12) months; or

3. Electric Service has been discontinued within the previous twelve (12) months.

If the requested deposit is not paid within ten (10) days from the date requested then the account shall be considered past due in accordance with the Rules and Regulations.

Information Provided to Consumers Concerning Deposits

At the time a deposit is required, the Cooperative shall make available to Consumers the following information about deposits:

1. the circumstances under which the Cooperative may require a deposit;
2. how a deposit is calculated; and
3. the time frame and requirement for returning the deposit to the Consumer.

Deposit Record Information

The Cooperative shall maintain deposit records containing the following information:

1. the name and address of each depositor;
2. the amount and date of the deposit; and
3. each transaction concerning the deposit.

Refund of Deposit

Deposits may be refunded as a credit to a Member's account or by any other method determined by the Cooperative under the following conditions:

1. Discontinuance of Electric Service: A Consumer is no longer receiving Electric Service or incurring charges from the Cooperative and any amounts due the Cooperative have been paid in full.
2. Account Status: (a) The Consumer's account has not been past due more than two (2) times in the previous twelve (12) months for residential or twenty-four (24) months for non-residential; (b) Electric Service has not been discontinued in the previous twelve (12) months for residential or twenty-four (24) months for non-residential; and (c) the Consumer's account is not currently past due. Notwithstanding the foregoing, the Cooperative, at its sole discretion, may at any time require such further deposit or other, reasonable financial assurances from any Consumer that the Cooperative may deem adequate to continue servicing such Consumer with Electric Service.

Interest on Deposits

Any deposit required of a Consumer shall accrue interest at an annual rate prescribed by the Public Utility Commission of Texas ("Commission"). If a deposit is refunded within thirty (30) days of the date of deposit, no interest payment is required. If the Cooperative keeps the deposit more than thirty (30) days, interest shall accrue from the date of the deposit. Payment of the interest to the Consumer

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

1.5 BILLING

The monthly "Billing Cycle" shall start on any day of the month and be for an approximate thirty (30) day period for which bills are rendered. The annual billing cycle shall be twelve (12) monthly Billing Cycles.

Multiple meters may be combined under a single Rate Schedule with a special agreement or contract approved by the General Manager on a case-by-case basis; otherwise meter readings shall not be totalized on a single bill.

1.6 BILLING ADJUSTMENTS

Adjustment of Accounts for Electric Service

The Cooperative may adjust a Consumer's account for Electric Service for any of the following reasons:

1. A Consumer's meter has been deemed inaccurate based upon a meter test using the accuracy standards established by the American National Standards Institute, Inc ("ANSI").
2. Evidence of meter tampering, bypassing, or diversion exists.
3. A Consumer's meter is not registering properly.
4. A Consumer's meter has been read incorrectly by the Cooperative.
5. The Cooperative has improperly applied a Rate Schedule.
6. For Consumers located in areas within the boundaries of a municipal corporation, the Consumer's total bill, excluding state and city sales tax, shall be increased by a percentage which is the equivalent of the municipal franchise fee.

Overbilling and Under-Billing

If the Cooperative finds that a Consumer's account for Electric Service has been overbilled or under-billed, the account shall be adjusted as follows:

1. If the Consumer was overbilled and is due a refund, an adjustment to the Consumer's account shall be made for the entire period of the overbilling. If the overbilling is adjusted by the Cooperative within six (6) months of the bill in error, interest shall not accrue. However, if an overbill is not adjusted by the Cooperative within six (6) months then interest shall be applied to the amount overbilled at the annual rate established by the Commission.

2. If the Consumer was under-billed due to a failure to receive meter readings, faulty metering equipment, or other circumstances resulting in unreported use, then the Cooperative may adjust the Consumer's account and charge for the amount which was under-billed. The adjustment shall not exceed a period of six (6) months.
3. If the Consumer was under-billed due to meter tampering, bypassing, diversion, or other instances of theft, then the Cooperative may adjust the Consumer's account and charge it for the entire duration of the under-billing. The Cooperative may also charge interest on the entire under-billed amount.

Billing Disputes

If a Consumer discovers a billing discrepancy, the Consumer may dispute the amounts by contacting the Cooperative. If the Cooperative determines that the billing discrepancy is valid, then the Cooperative shall work with the Consumer to resolve the matter. Disputing an amount does not relieve the Consumer from paying any amounts due that are not in dispute or future amounts due. Electric Service shall not be discontinued for failure to pay amounts due that are in dispute.

1.7 PAYMENT

Due Date

Payment of bills for Electric Service shall be received by the Cooperative on the "Due Date" as provided below:

1. Consumers on G1 and G3 Rate Schedules: The Due Date shall be sixteen (16) days, or the first business day thereafter if the sixteenth (16th) day is not a business day, from the date of the original bill.
2. Consumers on G4-G5 Rate Schedules: The Due Date shall be the twentieth (20th) day of the month or the first business day thereafter if the twentieth (20th) is not a business day.

Pre-Paid Metering

Payments can be made in any increment and in an amount not less than \$5 to ensure that a credit balance remains on the Consumer's account. No bills will be mailed and there is no monthly due date. A credit balance above \$0 must remain on the account at all times for Electric Service.

Payment Type

Payments made in cash, by debit card, by bank draft, check or other electronic fund transfer methods acceptable to the Cooperative on or before the Due Date will result in immediate credit to the Consumer's account. Postmark does not constitute receipt of payment. The Cooperative may accept payment via credit cards but reserves the right to refuse payment by credit card for any account, for any reason, at the sole discretion of the Cooperative.

Order of Payment

For Consumers that have financing agreements with the Cooperative the Consumer's electricity bill from the Cooperative will include a line item for repayment of the financing through monthly installments. Payments by such Consumers will be applied by the Cooperative first to the financing (first to costs and expenses; then to finance charges; then to principal or the amount financed) and then to the Consumer's electric service bills.

Past Due

If payment is not received by the Due Date a Consumer's account shall be considered past due. A Consumer's account which is past due shall be assessed a late charge related to the past due amount associated with Electric Service and Electric Service may be discontinued in accordance with the Rules and Regulations.

1.8 PAYMENT ARRANGEMENT PLANS

The Cooperative shall work with a Consumer to develop a payment arrangement plan if so requested by the Consumer.

If a Consumer does not fulfill the terms of a payment arrangement plan then the Cooperative shall have the right to discontinue Electric Service.

1.9 DISCONTINUANCE OF ELECTRIC SERVICE

Discontinuance of Electric Service by Consumer

If a Consumer desires to discontinue Electric Service, then a Consumer shall request termination of Electric Service a minimum of three (3) business days prior to the desired Electric Service termination date. A Consumer shall be responsible for any amounts resulting from the use of electric energy at the location within three (3) days of the termination request.

Disconnection with Notice

For all Consumer accounts, with the exception of pre-paid metering accounts, a "Disconnection Notice" shall be mailed, as a separate mailing, at least ten (10) days prior to the stated date Electric Service shall be discontinued ("Disconnection") and notify the Consumer of all amounts due the Cooperative and/or actions necessary to avoid Disconnection. Electric Service may be discontinued on the stated date of Disconnection or any day thereafter.

Disconnection without Notice

Electric Service may be discontinued without a Disconnection Notice for any of the following reasons:

1. No disconnection notice shall be mailed for pre-paid metering accounts. Services may be disconnected on the first day that the account ceases to have a credit balance above \$0 or any day thereafter.
2. If the Cooperative determines that an unsafe or potentially dangerous condition exists for as long as the condition exists. Where reasonable, given the nature of the hazardous

condition, a written statement providing the reason for Disconnection shall be posted at the place of common entry.

3. If Electric Service is connected or reconnected without the approval of the Cooperative.
4. If evidence exists of tampering with the Cooperative's meter or equipment, bypassing the same, or in other instances of diversion.
5. Any other lawful reason.

Disconnection on Holidays and Weekends

Unless a dangerous condition exists Electric Service shall only be discontinued on a business day when Cooperative personnel are available to the public for the purpose of making collections and reconnecting Electric Service.

Disconnection for Ill and Disabled

A Consumer may establish that some person residing at the Consumer's residence will become seriously ill or more seriously ill if Electric Service is discontinued. In order to do so, a Consumer must have a medical doctor, doctor of osteopathy, physician's assistant, nurse practitioner, or registered nurse ("Attending Physician") provide a written statement to the Cooperative. If the Attending Physician is unable to provide a written statement to the Cooperative prior to a stated date of Disconnection then Electric Service shall be discontinued. In order to remain valid, this note is required to be updated annually with the Cooperative.

The prohibition against Electric Service termination provided by this Section shall last sixty three (63) days from the original date of the bill for Electric Service or such lesser period as may be agreed upon by the Cooperative and the Consumer or Attending Physician. A Consumer who makes such a request shall enter into a payment arrangement plan for Electric Services used.

Disconnection during Extreme Weather

The Cooperative shall not discontinue Electric Service during severe weather conditions. Severe weather conditions include:

1. A day when the previous day's highest temperature did not exceed 32 degrees Fahrenheit, and the temperature is predicted to remain below 32 degrees Fahrenheit for the next 24 hours according to the nearest National Weather Service ("NWS") report.
2. A day when the NWS has put into place a heat advisory for the Consumer's area.

Temporary Disconnection

A Consumer may request a temporary Disconnection, not to exceed seven (7) days, at no charge to the Consumer, for maintenance and repairs due to safety reasons.

1.10 RECONNECTION OF ELECTRIC SERVICE

The Cooperative shall reconnect Electric Service after a Consumer has: (1) paid in full any amounts past due; (2) paid an amount necessary to achieve the required credit balance amount on pre-paid

metering account; (3) paid any other fees or charges due or required by the Cooperative; and/or (4) remedied any conditions meriting Disconnection. The Cooperative shall make every reasonable effort to reconnect Electric Service on the same day the Consumer remedied the situation meriting Disconnection.

1.11 DELIVERY AND CONTINUITY OF ELECTRIC SERVICE

Delivery

The Cooperative shall operate and maintain electric distribution facilities, in accordance with the applicable national, state, and local codes. Electric Service shall be supplied by the Cooperative as alternating current, 60 Hertz, at available secondary voltages. The Cooperative shall furnish single- or three-phase Electric Service at standard secondary voltages, as follows:

1. Single-Phase: 120/240 Volt
2. Three-Phase: 120/208 GNDY or 277/480 GNDY

The Cooperative reserves the rights to determine whether or not alternate voltage configurations, different from those stated above, are acceptable. A Consumer may be responsible for any costs required to provide alternate voltage configurations if determined acceptable by the Cooperative. Transmission or distribution voltages used to transmit electric energy shall not be available to Consumers except under special contract.

Service Interruptions

The Cooperative strives to provide continuous Electric Service to its Consumers but makes no guarantees against interruptions. Consumers shall be responsible for reporting Electric Service interruptions.

Continuous Electric Service, Consumer's Responsibility

If continuous Electric Service at a constant voltage is required, the Consumer must install the necessary equipment. Consumers who require three-phase service shall be responsible for providing and operating any protective equipment that is necessary to protect their equipment from damage resulting from the loss of power to one or more phases.

Emergency Interruptions

In the event of a national emergency or local disaster resulting in disruption of normal Electric Service, the Cooperative may, in the public interest, interrupt Electric Service to other Consumers in order to provide necessary Electric Service to civil defense or other emergency service agencies on a temporary basis until normal Electric Service to these agencies can be restored.

Maintenance Interruptions

The Cooperative reserves the right to interrupt its Electric Service for the purpose of making changes, improvements, repairs, or extensions on any part of its lines, machinery, plant, or system, without notice to Consumers.

No Liability for Interruptions

The Cooperative is not liable for damages resulting from Electric Service interruptions unless such interruptions were due to the gross negligence or willful misconduct of the Cooperative.

1.12 CONSUMER AND COOPERATIVE FACILITIES & EQUIPMENT

Point of Delivery

The “Point of Delivery” shall be that point, as determined by the Cooperative, where electric energy leaves the Cooperative’s electric system and is delivered to the Consumer. The Point of Delivery shall be accessible to Cooperative personnel at all times.

Consumer’s Facilities

Except as otherwise provided in the Tariff, the Consumer shall install, provide, and maintain all devices and equipment, including breakers and wiring (“Consumer Facilities”) past the Point of Delivery that are necessary for the Cooperative to provide Electric Service. The Consumer shall not install wiring or attachments to any part of the Cooperative’s electric system.

The Cooperative shall not be responsible for maintaining Consumer Facilities but the Cooperative reserves the right to inspect the Consumer’s Facilities at any time if there is concern that an unsafe or dangerous condition exists. Except in special situations where the Cooperative may own and operate electric facilities beyond the Point of Delivery, such as security lights and demand response devices, the Cooperative shall not be responsible for any electric facilities beyond the Point of Delivery.

Consumer’s Responsibility for Cooperative Electric Facilities and Equipment

The Consumer shall be responsible for any damage to, or loss of, Cooperative’s electric facilities and equipment, located upon the property of the Consumer, whether in front of or beyond the Point of Delivery, if such damage is a result of the Consumer’s actions.

Motor Horsepower Limitations

Motors in excess of ten (10) horsepower may not be placed on the Cooperative’s electric system without permission from the Cooperative.

The Cooperative may require Consumers to provide reduced voltage starting equipment for all motors. If consumers’ use of starting equipment creates harmonic distortion on the Cooperatives Electric System, the Cooperative may require the consumer to install corrective equipment to meet or exceed IEEE 519 Standards.

Negative Impacts/Harmonics

Notwithstanding any of the foregoing, the Cooperative reserves the right to cause correction, or discontinue Electric Service in the event operation of the Consumer’s Facilities should result in excessive Negative Impacts (as defined below) to the Cooperative’s system or if the Cooperative determines that an unsafe or potentially dangerous condition exists related thereto. “Negative Impacts” are defined to include, without limitation: (i) voltage levels that are not in conformance with good utility practices; (ii) fluctuations or interruptions associated with such unacceptable levels; (iii) generation of objectionable frequencies/harmonics; (iv) voltage/load imbalance; (v) low power factor; or (vi) any other disturbance to or disruption of the electric system that materially interferes with the Cooperative System and its operation or causes an objectionable voltage flicker to the Cooperative. Consumer shall notify the Cooperative immediately if the Consumer discovers any Negative Impacts or that any condition or operation of the Consumer Facilities which may

pose a risk to any persons or property, and in the event any Negative Impacts occur, the Cooperative shall notify the Consumer, and the Consumer shall immediately, diligently pursue corrective action at its own expense. If continuous Electric Service at a constant voltage is required, the Consumer must install the necessary equipment. Consumer shall be responsible for providing and operating any protective equipment that is necessary to protect Consumer Facilities from damage resulting from the loss of power to one or more phases.

IN THE EVENT THAT DISCONNECTION OCCURS CONSUMER AGREES THAT THE COOPERATIVE SHALL NOT BE HELD LIABLE FOR ANY DAMAGES OF WHATEVER NATURE OR KIND THAT MAY ARISE, EITHER DIRECTLY OR INDIRECTLY, FROM SUCH DISCONNECTION.

Metering Equipment

The Cooperative shall provide, own, and maintain all metering equipment and devices used to measure electric energy sold to a Consumer. A meter base for the Cooperative's metering equipment shall be a socket type and placed between five (5) feet and six (6) feet from the ground or floor line on a meter pole or affixed to a building. Different standards may be specified for underground installations or in flood plain areas. The Cooperative's metering device may be past the Point of Delivery and shall be accessible to Cooperative personnel at all times.

Cooperative Devices Beyond the Point of Delivery

The Cooperative may also install, maintain, own, and operate such devices that may include, without limitation, the following: Security lights and/or demand-response devices, past the Point of Delivery, with the permission of the Consumer.

Meter Testing

A Consumer of the Cooperative may request a test of the accuracy of a meter. At the Cooperative's discretion, tests shall be made either at the Consumer's location, at the Cooperative's testing laboratory, or at an independent testing laboratory. All tests shall take place during the Cooperative's normal business hours. The Consumer requesting the test has the right to witness the test or have an authorized representative do so. A Consumer may request a meter test once every four (4) years without incurring a meter testing fee, except that a charge may be incurred for meter tests performed by an independent testing laboratory. A Consumer requesting an additional meter test within a four (4) year period shall be charged a meter testing fee for each additional meter test within four (4) years of the free meter test. However, a Consumer shall not be required to pay a meter testing fee if it is determined that the meter does not comply with the accuracy standards established by ANSI.

If a meter is deemed to be inaccurate beyond acceptable industry standards, it shall be replaced and the Consumer's account shall be adjusted based on estimated usage.

The Cooperative has the right to test any of its meters, at any time.

Meter Tampering

If it is discovered that a Cooperative meter has been tampered with or bypassed in any way, then the Cooperative shall adjust the Consumer's account accordingly. The Cooperative shall adjust a Consumer's account by using its best estimate of the amount of Electric Service used but not paid for and for the length of time the Cooperative estimates such tampering or bypassing affected the meter.

A Consumer shall be responsible for any costs incurred by the Cooperative resulting from the meter tampering as well as a meter tampering fee.

1.13 CONSUMER'S USE OF ELECTRIC SERVICE

Resale of Electric Service

Consumers shall not resell Electric Service to any other Consumer, person, or entity without approval from the Cooperative. Consumers shall not extend electric facilities without written consent of the Cooperative.

Intermittent Electric Service

If a Consumer's use of Electric Service creates intermittent or major power fluctuations on the Cooperative's electric system, the Cooperative may require the Consumer to correct such a condition.

Power Factor

The Cooperative may require the Consumer to maintain a power factor of at least 95% lagging.

Interconnections

Consumers shall not use other sources of electric energy in conjunction with the Cooperative's Electric Service without written permission from the Cooperative.

1.14 SWITCHOVERS

Changing Electric Service to another Supplier

In areas of the Cooperative's service territory where other utilities are certificated to serve, Consumers may switch Electric Service to another utility. In order to switch Electric Service, a Consumer shall make a request to the Cooperative in writing agreeing to pay all costs associated with the switchover, stating the date Electric Service is to be terminated, and submit payment for any estimated costs of the switchover provided by the Cooperative. The Cooperative shall not allow the Consumer to switchover until all amounts due the Cooperative, including any amounts unrecovered for the installation of electric facilities, have been paid in full.

The Consumer shall provide evidence to the new electric utility that the provisions of this Section have been satisfied and satisfy all terms and conditions for Electric Service required by the new electric utility before Electric Service can be provided. The Consumer's new electric utility will not connect the Consumer's new Electric Service until the Consumer presents to it a receipt, issued by the Cooperative, confirming that the provisions of this Section have been satisfied.

Switchovers will be dealt with in a timely manner but may occur after other outstanding work orders have been completed by the Cooperative.

Changing Electric Service to the Cooperative

In areas of the Cooperative's service territory where other utilities are certificated to serve, a customer of another utility may switch Electric Service to the Cooperative.

The customer shall provide evidence to the Cooperative that the switchover rules of the current electric utility have been satisfied and satisfy all terms and conditions for Electric Service required by the Cooperative before Electric Service will be provided.

1.15 CONSUMER COMPLAINTS

Upon complaint to the Cooperative by a Consumer or applicant for Electric Service (“Complainant”) either at a Cooperative office, by correspondence, or by telephone, the Cooperative shall promptly make a suitable investigation and advise the Complainant of the results thereof.

In the event that the Complainant is dissatisfied with the Cooperative’s report, the Complainant may request a decision from the Cooperative’s Board of Directors.

Depending on the nature of the Complaint, Cooperative personnel may require a Consumer to submit a formal complaint in letter form.

SECTION II LINE EXTENSION POLICY

2.1 LINE EXTENSIONS FOR NEW ELECTRIC SERVICE

If a line extension or new electric facilities are required to provide Electric Service the Cooperative shall provide the Consumer with an estimated completion date and the portion of the estimated cost for the work/facilities owed by the Consumer. Electric Service requiring a line extension shall be filled as quickly as possible, provided that all conditions and requirements of the Cooperative for providing Electric Service have been satisfied.

If a line extension or new electric facilities are not required the Cooperative shall make Electric Service available as quickly as possible.

2.2 LINE EXTENSION PROVISIONS

Contribution in Aid of Construction Calculations

Any amount paid by a Consumer for the work/facilities necessary to provide Electric Service shall be considered a contribution in aid of construction (“CIAC”). Regardless of the amount of CIAC paid, all facilities and equipment used to provide Electric Service up to the Point of Delivery shall be and remain the property of the Cooperative. The Cooperative shall determine the appropriate CIAC due from the Consumer according to the provisions of this Section.

For the purpose of determining the appropriate category under this Section only, a location will be considered “Residential” when single-phase service is required where occupancy will be continuous or permanent, and residential use is predominant.

For the purpose of determining the appropriate category under this Section only, a location will be considered “Non-Residential” where occupancy is not continuous and residential use is not predominant. Non-Residential locations may include but are not limited to the following: camp houses, hunting lodges, barns, bunkhouses, grain storage facilities, equipment shelters, electric fences, etc. This list of Non-Residential locations is not exhaustive and the Cooperative shall determine at its own discretion the appropriate category under which to calculate line extension charges for providing Electric Service.

Category 1:

A line extension for Service to a single phase account shall require a CIAC equal to:

(Cost Estimate) - (Board of Directors Approved Discount Rate) or \$0, whichever is greater

Category 2:

A line extension for Service to an oil well, three-phase water well, or a Non-Residential Location that is not already categorized in this Section and as determined by the Cooperative shall require a CIAC equal to the

Cost Estimate.

Three-Phase Accounts

The CIAC necessary for the work/facilities required to provide Service to a three-phase commercial account, an industrial account, or any other account not specifically mentioned in Categories 1-3 shall be negotiated between the Consumer and the Cooperative.

Residential Developments

The CIAC necessary for the work/facilities required to provide or prepare lots for Service in a new residential development shall be negotiated by special contract between the developer of the project and the Cooperative. The Cooperative shall only negotiate special contracts for a residential development that is a platted, recorded residential subdivision to be primarily used or developed for permanent single or multi-family residential units.

Cost Estimate

Estimated cost of construction based on current labor, equipment and material costs.

Contribution in Aid of Construction Settlement

If other Consumers are extended Electric Service from a line that was paid for with a CIAC within three (3) years from the date of such payment, an adjustment refund shall be made to the original Consumer, after payment is made by the new Consumer(s) based upon revised cost calculations. This refund shall only be made on the portion of line that is jointly used. The Cooperative shall make a reasonable effort in determining if any refund is due and shall not be liable for any refund that may be due more than three (3) years after the CIAC payment.

A Consumer shall be responsible for the CIAC based on the actual applicable Rate Schedule for Electric Service and/or the actual work/facilities provided. Within three (3) years of the date of the CIAC payment, if the Consumer or the Cooperative discovers that the CIAC payment was based on incorrect information the payment may be adjusted as determined between the Cooperative and the Consumer. The Cooperative shall not be responsible for determining if an adjustment is necessary and shall not be liable for any refund that may be due more than three (3) years after the CIAC payment.

2.3 RELOCATION AND TEMPORARY MOVING OF ELECTRIC FACILITIES

Conditions

Relocation of Cooperative owned electric facilities at the request of Consumers or the general public shall be made under the following conditions:

1. Electric facilities may be moved or relocated upon request, provided that the requesting party pays for all actual costs incurred, and that the necessary easements can be obtained.
2. The Cooperative may, but shall not be obligated to, move or relocate electric facilities upon request at little or no charge to the requesting party provided such changes may be incorporated as part of the Cooperative's planned electric system improvements or as part of a project which shall result in additional revenue sufficient to justify the move or relocation.

Temporary Removal

Temporary removal of electric facilities shall be performed by the Cooperative if the party requesting such temporary removal agrees to pay the Cooperative the actual costs.

SECTION III INTERCONNECTION POLICY

3.1 INTRODUCTION

Interconnection of Distributed Resources

The Cooperative will connect a distributed generation resource or other resource capable of delivering power (“DR”) to the electric distribution facilities of the Cooperative based upon the standards developed by the Institute of Electrical and Electronics Engineers: “IEEE Standard 1547 for “Interconnecting Distributed Resources with Electric Power Systems”, as they may be amended from time to time and under the provisions of this Interconnection Policy. If any part of this Interconnection Policy shall be in conflict with any other provision of the Tariff, this Interconnection Policy shall control.

Backup Generation

An emergency generator, typically running on natural gas, gasoline, or diesel fuel oil, and operating in isolation with no connection to the Cooperative’s distribution facilities (“Backup Generator”) shall be installed and operated consistent with the Service Rules and Polices and are not subject to the other provisions of this Interconnection Policy. A Consumer desiring to install a Backup Generator shall submit an application fee with an application which includes, but may not be limited to, information regarding design capacity, manufacturer, and installer of the Backup Generator. Depending on the size of the Backup Generator the Cooperative may establish additional requirements and fees.

3.2 INTERCONNECTION OF DISTRIBUTED RESOURCES, 50 kW OR LESS

The Cooperative will allow the interconnection and parallel operation of a DR having a design capacity of 50 kW or less (“Installation”) by a Consumer. The Cooperative and a Consumer owning an Installation (“Producer”) may establish terms in addition to these provisions for the interconnection of an Installation and the Cooperative at its sole discretion may establish additional or different terms/requirements in addition to these provisions depending on the type of Installation. The Cooperative, at its sole discretion, shall determine if the Producer’s Installation meets the terms and conditions for interconnection and parallel operation.

Application and Agreement

At least one hundred and twenty (120) days in advance of construction, the Producer shall submit an application fee and application for the interconnection of the Installation, provided by the Cooperative. Prior to the Interconnection the Cooperative and Producer shall execute an agreement concerning the Interconnection and Operation of the Installation.

Installation and Safe Operation

With the exception of the Cooperative’s meter(s), the Producer shall own and be solely responsible for all costs, installation, maintenance, and operation of the Installation up to the point where Producer’s conductors contact Cooperative’s conductors (“Point of Interconnection”). The Installation shall be designed, installed, and maintained in accordance with applicable codes, and regulations. The Producer shall install and construct the Installation in a manner that provides

for safe operations and with appropriate protection of the Cooperative's personnel, facilities and operations during production and shall install any equipment, required by the Cooperative, up to the Point of Interconnection.

Metering

In addition to any existing meters, a separate meter may be required to measure output of the renewable generating installation. This meter, as well as all associated wiring and switchgear up to the point of interconnection with the Cooperative, will be installed at the Cooperative's expense.

Access

Persons authorized by the Cooperative shall have the right to enter the Producer's property without notice for the purpose of inspecting the Installation for safe operations and operating any equipment required to ensure safe operations.

Notification of Installation and Modifications

The Producer shall notify the Cooperative in writing at least thirty (30) days in advance of operating the Installation and allow the Cooperative to inspect and test the protective equipment, if required, prior to operation.

The Producer shall notify the Cooperative in writing thirty (30) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation.

Sales to Producer

Sales of electric energy to the Producer shall be in accordance with the applicable Rate Schedule for the Consumer, as determined by the Cooperative, that would be in use by the Consumer as if there was not Installation.

Purchases from Producer

The Cooperative shall pay the Producer for all electric energy purchased at the current wholesale-power avoided cost, which is calculated by taking the weighted average of the Cooperative's wholesale power costs.

Comply with Laws

The Producer shall comply with applicable federal, state, and local laws, ordinances, and regulations applicable to the Installation.

Liability for Injury and Damages

PRODUCER ASSUMES FULL RESPONSIBILITY AND WILL INDEMNIFY 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 THE OPERATION AND ENERGY DELIVERED BY THE INSTALLATION.

THE COOPERATIVE SHALL NOT BE LIABLE FOR AND IS HEREBY RELEASED BY PRODUCER FROM ANY AND ALL DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR

CONSEQUENTIAL DAMAGES RESULTING FROM FAILURES, INTERRUPTIONS, OR VOLTAGE AND WAVEFORM FLUCTUATIONS OCCASIONED BY CAUSES REASONABLY BEYOND THE CONTROL OF THE COOPERATIVE, INCLUDING, BUT NOT LIMITED TO, ACTS OF GOD OR PUBLIC ENEMY, SABOTAGE AND/OR VANDALISM, ACCIDENTS, FIRE, EXPLOSION, LABOR TROUBLES, STRIKES, ORDER OF ANY COURT OR JUDGE GRANTED IN ANY BONA FIDE ADVERSE LEGAL PROCEEDING OR ACTION, OR ANY ORDER OF ANY COMMISSION, TRIBUNAL, OR GOVERNMENTAL AUTHORITY HAVING JURISDICTION.

3.3 INTERCONNECTION OF DISTRIBUTED RESOURCES, GREATER THAN 50 kW

The interconnection of DR having a design capacity greater than 50 kW shall occur under the terms and conditions of a special contract between the Consumer and the Cooperative. An interconnection study will be required for the interconnection of any DR having a design capacity greater than 50 kW and the Consumer shall be responsible for the cost of said interconnection study.

The Cooperative reserves the right to purchase or transmit to a third party the power from any DR having a design capacity greater than 50 kW. However, the Cooperative shall purchase or transmit to a third party the power generated by a DR, having a design capacity greater than 50 kW, that meets the definition of a “Qualifying Facility” under Subpart B of the Federal Energy Regulatory Commission’s Regulations under Section 201 of the Public Utility Regulatory Practices Act of 1978.

SECTION IV FEE AND RATE SCHEDULES

4.1 GENERAL RATE SCHEDULE PROVISIONS

Payment

Except as otherwise provided in the Rate Schedules, rates are subject to the payment provisions of the Rules and Regulations.

Sales Tax and Other Fees

Sales taxes, where applicable, will be charged in addition to the applicable rates. The Consumer shall pay any sales, use, franchise or other tax now or hereafter applicable to the Electric Service rendered hereunder or imposed on the Cooperative as a result of such service; provided, however, that no such tax shall be charged if the member has furnished to the Cooperative evidence of exemption from liability for such tax. Consumers claiming exemption from sales taxes shall provide an exemption form and/or number acceptable to the Cooperative, as often as reasonably requested by Cooperative.

Single Point Delivery

Rates are based upon service to the entire location through a single delivery and metering point. Service to the same Consumer at other Points of Delivery shall be separately metered and billed under the applicable Rate Schedule, unless otherwise provided by special contract.

Terms

1. **Pre-paid Metering:** An alternative to traditional billing method, whereby a Consumer pays for all kWh consumption by maintaining a credit balance on their account used to pay for consumption in real time.
2. **Service Availability Fee:** The fee to serve a location with power regardless of monthly consumption.
3. **Ampere:** A unit in the measure of electric current or the rate of flow of electricity, and measured by a suitable instrument (Amp-Meter).
4. **Volt:** A unit of electric force or pressure, and may be measured by a suitable instrument (Volt-Meter).
5. **Watt:** A unit of real power or the work-producing part of apparent power.
6. **Kilowatt:** 1000 watts, a term used to describe the size of equipment or the load (demand) which the equipment imposes on an electric system.
7. **Kilowatt hour:** A unit of electric energy equal to one kilowatt of power supplied to or taken from an electric circuit for one hour. Kilowatts X hours used = Kilowatt hours.

8. Kilovolt-Ampere (KVA): A unit of the product of the volts and amperes of a circuit. The instantaneous quantity of electric capacity delivered, and is equal to 1000 Voltamperes. A unit of apparent electric power.
9. Reactive Kilovolt-Ampere: A unit for the portion of apparent electric power that does not work. Termed KiloVar (KVAR).
10. Power Factor: The ratio of actual or real electric power (KW) to the apparent power (KVA).

$$\text{Ratio: } \frac{\text{Real Power in KW}}{\text{Apparent Power in KVA}}$$

11. Load Factor: A percentage of the average load (KW used or demand) during a designated period to the maximum load (KW used or demand) during the same time period.

$$\frac{\text{KWH Used X 100}}{\text{KW X 8760}} = \text{Annual Load Factor}$$

$$\frac{\text{KWH Used X 100}}{\text{KW X 730}} = \text{Monthly Load Factor}$$

12. KW Demand: The kilowatts supplied during any 15 minute period of maximum use within a current month.
13. Coincident Peak (4CP): The average Settlement Interval coincidental kW peak occurring during the months of June, July, August, and September. =
14. Settlement Interval coincidental kW peak: The highest monthly 15-minute kW peak for the entire ERCOT Transmission Grid as captured by the ERCOT Settlement system, excluding Block Load Transfer (BLT) of Load to the ERCOT Control Area that are not reflected in a Non-Opt-In Entity's (NOIE's) 4-CP calculation, Direct Current Tie (DC Tie) exports, and Wholesale Storage Load (WSL).
15. Connected Load: A total of the rated capacities of energy consuming equipment.
16. Horsepower: A unit of power equivalent to 746 watts.
17. Delinquent Fee: A fee charged due to the involuntary disconnection of service due to non-payment.

4.2 SCHEDULE OF ELECTRIC SERVICES, CHARGES, AND FEES

Operations

Account Set-Up Fee \$50.00

Delinquent Charge:

During Regular Business Hours \$50.00

After Hours, Weekends, and Holidays \$75.00

Trip Charge:

During Regular Business Hours \$50.00

After Hours, Weekends, and Holidays \$75.00

Meter Tampering, Including Breaking of Seal:

First Occurrence \$100.00*

Second or Subsequent Occurrence \$200.00*

* Plus Trip Charge and Actual Damages

Meter Testing Fee:

First, In-House Test Free

Additional Meter Test(s) within 48 months \$20.00

Meter Test(s) independent testing laboratory \$150.00

Membership Fee

The membership fee is \$25.00 and will be refunded when Electric Service is disconnected, if all outstanding charges have been paid. If there are any charges outstanding at the time Electric Service is disconnected, they shall be deducted from the membership fee before a refund is made.

Past Due Charge

A Consumer's account with an amount due for Electric Service that has not been paid by the Due Date may be assessed an account handling charge consisting of the following:

G-1 \$10.00 per account

G-3 5% of total

G-4 5% of total

G-5 5% of total

Switch on Security Light

Manually operated switches on security lights shall be available at the request of the Consumer for a charge of \$50.00. The switch and accessories shall remain the property of the Cooperative.

Non-Sufficient Fund Check

A fee of \$25.00 shall be charged to the Consumer who gives the Cooperative a check which is returned for non-sufficient funds. Such charge shall be added to the Consumer’s account.

Meter Loop Charges

The following labor and overhead charges shall apply on meter loops installed by the Cooperative.

The cost of primary loops are as follows:

100 Amp, Single-Phase Loop, Down to a Panel w/o Main Breaker	\$200
200 Amp, Single-Phase Loop, Down to a Panel w/ Main Breaker	\$350

200 Amp Loop, Down to Dual Gang Sockets and Panel(s) w/ Main Breaker(s):

With One - 200 Amp Disconnect Panel	\$350
With Two - 200 Amp Disconnect Panels	\$700

The Cooperative shall charge a trip charge fee for meter loops installed by the Cooperative after original construction has been completed.

Current Transformer (“C.T.”) Metering

When the Cooperative installs C.T. metering, the Consumer shall pay the following costs:

Single-Phase C. T. Metering	\$650
Three-Phase C. T. Metering	\$750

All C. T. metering shall remain the property of the Cooperative.

4.3 G-1 SINGLE-PHASE GENERAL ELECTRIC SERVICE

Applicable to single-phase Consumers.

Type of Service

Single-phase, 60-Hertz, at available secondary voltage. Frequency and voltage shall be subject to reasonable variation.

Rate

The Rate shall be calculated as the sum of the following charges:

Service Availability Charge:

\$25.00 per meter per billing cycle

Delivery Charge:

\$0.023818 per kWh

Generation and Transmission Charge:

The charge designed to recover the generation and transmission costs of the Cooperative that are not recovered through the “Service Availability Charge”, “Delivery Charge”, other fees/charges or otherwise recovered by the Cooperative.

The Generation and Transmission Charge is calculated by forecasting the costs associated with generation and transmission during a given period divided by the forecasted number of kilowatt-hours sold during that same period resulting in a kilowatt-hour energy charge. The costs associated with generation and transmission may include, without limitation, costs of capacity charges, costs of Cooperative generating power itself, costs for market purchases of power, costs associated with and under power-purchase agreements, costs associated with and under bilateral contracts, costs associated with rebate programs designed to encourage energy efficiency and conservation, costs associated with and charges for transmission services, costs for legal, consulting services and staff associated with power supply arrangements and transmission arrangements, costs for equity, debt service and debt service coverage costs directly related to physical generation assets. In addition, the Cooperative may charge a separate Generation and Transmission charge for the community solar project open to Members in qualifying residential rate classes who voluntarily enroll in the project. Such charge is outlined in the Community Solar Subscription Terms of Service and may be adjusted by the Board of Directors to appropriately reflect the costs associated with the community solar project.

The Generation and Transmission Charge shall be held constant and be charged each billing cycle subject to the following provision.

If the Generation and Transmission Charge results in a substantial under- or over-recovery of the actual generation and transmission costs during a given period, the Board of Directors may adjust the Generation and Transmission Charge to more appropriately reflect the forecasted generation and transmission costs and to collect or return, as the case may be, portions of any under- or over-recovered balances from previous billing cycles.

Interconnection Consumers (see Section III Interconnection Policy for qualifications) may elect for the Generation and Transmission Charge to be recovered through either a fixed rate or a time of use rate.

4.4 G-3 THREE-PHASE UNDER 250 KW

Applicable to three-phase Consumers under 250 kW of average annual demand.

Type of Service

Three-phase, 60-Hertz, at one of the Cooperative’s standard secondary voltages, or at primary voltage, with the consent and agreement of both the Cooperative and the Consumer. Frequency and voltage shall be subject to reasonable variation.

Rate

The Rate shall be calculated as the sum of the following charges:

Service Availability Charge:

\$62.00 per meter per billing cycle

Delivery Charge:

Delivery Charge = Billing Cycle kWh usage X \$0.006000 per kWh

Demand Charge:

Demand Charge = Billing Demand First 10 kW X \$2.00 per kW
Next 90 kW X \$5.50 per kW
Over 100 kW X \$4.00 per kW

Determination of Billing Demand

For the purposes of this Rate Schedule, Billing Demand shall be defined as the maximum kilowatts metered during any 15-minute interval within a billing cycle, but in no event less than seventy percent (70%) of the highest demand established in the preceding eleven (11) billing cycles.

Power Factor

If the Power Factor of the Consumer's load is found to be less than 95% lagging, as measured at the Consumer's meter, then the Cooperative may require the Consumer to arrange for the installation of appropriate equipment on the Consumer's side of the meter necessary to maintain a Power Factor of not less than 95% lagging, as measured at the Consumer's meter.

Until the power equipment has been installed to correct the Power Factor, the Consumer's Billing Demand may be adjusted according to the following formula:

$$\text{Adjusted Billing Demand} = (\text{Billing Demand} \times .95) \div \text{Actual Power Factor}$$

Minimum Charge

The minimum billing cycle charge shall be:

The Service Availability Charge plus the Demand Charge.

Generation and Transmission Charge:

The charge designed to recover the generation and transmission costs of the Cooperative that are not recovered through the "Service Availability Charge", "Delivery Charge", other fees/charges or otherwise recovered by the Cooperative.

The Generation and Transmission Charge is calculated by forecasting the costs associated with generation and transmission during a given period divided by the forecasted number of kilowatt-hours sold during that same period resulting in a kilowatt-hour energy charge. The costs associated with generation and transmission may include, without limitation, costs of capacity charges, costs of Cooperative generating power itself, costs for market purchases of power, costs associated with and under power-purchase agreements, costs associated with and under bilateral contracts, costs associated with rebate programs designed to encourage energy efficiency and conservation, costs associated with and charges for transmission services, costs for legal, consulting, staff and services associated with power supply arrangements and transmission arrangements, costs for equity, debt service and debt service coverage costs directly related to physical generation assets.

The Generation and Transmission Charge shall be held constant and be charged each billing cycle subject to the following provision.

If the Generation and Transmission Charge results in a substantial under- or over-recovery of the actual generation and transmission costs during a given period, the Board of Directors may adjust the Generation and Transmission Charge to more appropriately reflect the forecasted generation and transmission costs and to collect or return, as the case may be, portions of any under- or over-recovered balances from previous billing cycles.

Interconnection Consumers (see Section III Interconnection Policy for qualifications) may elect for the Generation and Transmission Charge to be recovered through either a fixed rate or a time of use rate.

4.5 G-4 LARGE POWER 250-1,000 KW

Applicable to three-phase Consumers with 250 - 1,000 kW average annual demand.

Type of Service

Three-phase, 60-Hertz, at one of the Cooperative's standard secondary voltages, or at primary voltage, with the consent and agreement of both the Cooperative and the Consumer. Frequency and voltage shall be subject to reasonable variation.

Rate

The Rate shall be calculated as the sum of the following charges:

Distribution Charge:

The total of the Service Availability Charge, Demand Charge, and Delivery Charge.

Service Availability Charge:

\$100.00 per meter per billing cycle

Demand Charge:

Billing Demand shall be defined as the maximum kilowatts metered during any 15- minute interval within a billing cycle.

Demand Charge = Billing Demand First 250 kW X \$4.15 per kW
Over 250 kW X \$2.00 per kW

Delivery Charge:

Delivery Charge = Billing Cycle kWh usage X \$0.003000 per kWh

Generation Charge:

The Consumer's Generation Charge shall be a direct pass-through of the blended costs for generation necessary for providing the Service that are not otherwise recovered by the Cooperative.

The Generation Charge is calculated by forecasting the costs associated with generation during the upcoming billing period divided by the forecasted number of kilowatt-hours sold during that same

upcoming billing period resulting in a kilowatt-hour energy charge. Any over or under collection of generation costs from the previous billing period shall be included in the generation charge associated with the upcoming billing period. The costs associated with generation may include, without limitation, costs of capacity charges, costs of Cooperative generating power itself, costs for market purchases of power, costs associated with and under power-purchase agreements, costs associated with and under bilateral contracts, costs associated with rebate programs designed to encourage energy efficiency and conservation, costs for legal, consulting services and staff associated with power supply arrangements, costs for equity, debt service and debt service coverage costs directly related to physical generation assets.

Transmission Charge:

The Consumer's Transmission Charge shall be a pass-through of allocated transmission costs for transmission services necessary for providing the Service that are not otherwise recovered by the Cooperative.

Power Factor Correction

If the Power Factor of the Consumer's load is found to be less than 95% lagging, as measured at the Consumer's meter, then the Cooperative may require the Consumer to arrange for the installation of appropriate equipment, on the Consumer's side of the meter, necessary to maintain a Power Factor of not less than 95% lagging, as measured at the Consumer's meter.

Until the power equipment has been installed to correct the Power Factor, the Consumer's Billing Demand may be adjusted according to the following formula:

Adjusted Billing Demand = (Billing Demand X .95) ÷ by Actual Power Factor

4.6 G-5 LARGE POWER OVER 1,000 KW

Applicable to three-phase Consumers with over 1,000 kW of average annual demand. At the written request of a Consumer having an hourly peak demand each month of at least 5,000 kW on a non-aggregated basis, with such power service provided after execution of a Memorandum of Understanding or an Electric Service Agreement and in accordance with that document's terms, service may be provided under the G-5B rate, as detailed below. All service is provided in accordance with the Service Rules and Regulations including the Bylaws of the Cooperative, and the following terms and conditions:

Type of Service: Three-phase, 60-Hertz, at one of the Cooperative's standard secondary voltages, or at primary voltage, with the consent and agreement of both the Cooperative and the Consumer. Frequency and voltage shall be subject to reasonable variation.

Condition of Service: IN THE EVENT THAT IT IS DETERMINED THAT THERE IS NON-SYNCHRONIZATION BETWEEN THE APPLICABLE TRANSMISSION UTILITY METERS AND CONSUMER METERS, CONSUMER SHALL INDEMNIFY COOPERATIVE FOR ANY COSTS OR CHARGES COOPERATIVE INCURS AS A RESULT OF ANY NON-SYNCHRONIZATION BETWEEN THE APPLICABLE TRANSMISSION UTILITY METERS AND CONSUMER METERS.

Rate:

The Rate shall be calculated as the sum of the following charges:

Distribution Charge:

The total of the Service Availability Charge, Demand Charge, and Delivery Charge.

Service Availability Charge:

\$500 per billing cycle

Demand Charge:

For the purposes of this Rate Schedule, Billing Demand shall be defined as the maximum kilowatts metered during any 15-minute interval within a billing cycle.

Demand Charge = Billing Demand

First 1000 kW	× \$2.25 per kW
Next 2000 kW	× \$2.75 per kW
Next 2000 kW	× \$2.50 per kW
Over 5000 kW	× \$2.25 per kW

Delivery Charge:

Delivery Charge = Billing Cycle kWh usage × \$0.002500 per kWh

Generation Charge:

The Consumer's Generation Charge shall be a direct pass-through of the blended costs for generation necessary for providing the Service that are not otherwise recovered by the Cooperative.

The Generation Charge is calculated by forecasting the costs associated with generation during the upcoming billing period divided by the forecasted number of kilowatt-hours sold during that same upcoming billing period resulting in a kilowatt-hour energy charge. Any over or under collection of generation costs from the previous billing period shall be included in the generation charge associated with the upcoming billing period. The costs associated with generation may include, without limitation, costs of capacity charges, costs of Cooperative generating power itself, costs for market purchases of power, costs associated with and under power-purchase agreements, costs associated with and under bilateral contracts, costs associated with rebate programs designed to encourage energy efficiency and conservation, costs for legal, consulting services and staff associated with power supply arrangements, costs for equity, debt service and debt service coverage costs directly related to physical generation assets.

Transmission Charge: The Consumer's Transmission Charge shall be a pass-through of allocated transmission costs for transmission services necessary for providing the Service that are not otherwise recovered by the Cooperative.

Power Factor Correction Charge:

If the Power Factor of the Consumer's load is found to be less than 95% lagging, as

measured at the Consumer's meter, the Cooperative may require the Consumer to arrange for the installation of appropriate equipment, on the Consumer's side of the meter, necessary to maintain a Power Factor of not less than 95% lagging, as measured at the Consumer's meter.

Until the power equipment has been installed and shown to be properly correcting the Power Factor, the Consumer's Billing Demand may be adjusted according to the following formula:

$$\text{Adjusted Billing Demand} = (\text{Billing Demand} \times 0.95) \div \text{Actual Power Factor}$$

4.7 OUTDOOR LIGHTING

Applicable to municipalities, political subdivisions, corporations, associations of a public or quasi-public nature, organized public bodies, and individuals.

Type of Service

Metered and unmetered, individually controlled for dusk-to-dawn operation by automatic device, using standard fixtures and equipment, gaseous discharge lamps and standard mounting height.

Conditions of Electric Service

The Cooperative shall furnish, own, and maintain all equipment used under this schedule, and shall exercise reasonable diligence in replacing lamps and equipment. However, the responsibility rests with the Consumer to report the need for repair service.

If the cost of installation exceeds the amounts allowed for each class of light, the Consumer shall pay any excess costs toward the installation, but ownership of all equipment shall remain with the Cooperative.

If underground Electric Service is desired by the Consumer, it is the Consumer's responsibility to furnish, own, and maintain such underground equipment.

Rate

The Rate shall be calculated as the sum of the following charges:

Metered:

Class A Light	\$5.41 per billing cycle
Class B Light	\$5.48 per billing cycle
Class C Light	\$5.48 per billing cycle

Unmetered:

Class A Light	\$9.65 per billing cycle
Class B Light	\$9.11 per billing cycle
Class C Light	\$9.11 per billing cycle

Generation and Transmission:

The charge designed to recover the generation and transmission costs of the Cooperative that are not recovered through the “Service Availability Charge”, “Delivery Charge”, other fees/charges or otherwise recovered by the Cooperative.

The Generation and Transmission Charge is calculated by forecasting the costs associated with generation and transmission during a given period divided by the forecasted number of kilowatt-hours sold during that same period resulting in a kilowatt-hour energy charge. The costs associated with generation and transmission may include, without limitation, costs of capacity charges, costs of Cooperative generating power itself, costs for market purchases of power, costs associated with and under power-purchase agreements, costs associated with and under bilateral contracts, costs associated with rebate programs designed to encourage energy efficiency and conservation, costs associated with and charges for transmission services, costs for legal, consulting services, staff and associated with power supply arrangements and transmission arrangements, costs for debt service and debt service coverage costs directly related to physical generation assets.

The Generation and Transmission Charge shall be held constant and be charged each billing cycle subject to the following provision.

If the Generation and Transmission Charge results in a substantial under- or over-recovery of the actual generation and transmission costs during a given period, the Board of Directors may adjust the Generation and Transmission Charge to more appropriately reflect the forecasted generation and transmission costs and to collect or return, as the case may be, portions of any under- or over-recovered balances from previous billing cycles.

Classes Defined

Class A:

Installation not exceeding 300 watts, where investment by the Cooperative does not exceed \$225.00 per light.

Class B:

Installation not exceeding 150 watts, where investment by the Cooperative does not exceed \$200.00 per light.

Class C:

Special effect lighting, to be determined by agreement.

4.8 ON-BILL FINANCING

To provide an additional benefit to its G-1, and G-3 members the Cooperative will provide financing of Beyond The Meter services sold and installed by GVEC Home Services, Inc. for qualified members of the Cooperative.

Type of Financing

Retail installment contract or Direct loan at the discretion of the Cooperative and/or its subsidiaries that the qualified purchaser who determines to purchase on credit will sign with GVEC Home or the Cooperative respectively.

Conditions of Financing

According to terms and conditions negotiated between the Cooperative and/or its subsidiaries and each member. Any consumer loan to a member must be in accordance with underwriting guidelines, including the payment of any fees or charges required for payment by member and as listed in the specific loan agreement. Members who determine to purchase on credit must execute the required loan and security agreements.

Charges and fees associated with financing may be adjusted at the discretion of the Board of Directors.

Any unpaid balance remaining upon disconnection of service, shall be immediately due in full.

It is the intent of the Cooperative to comply with all requirements of applicable law, including the requirements of the Truth-in Lending Act, the Equal Credit Opportunity Act, and the Fair Credit Reporting Act.

Order of Payment

For Consumers that have financing agreements with the Cooperative the Consumer's electricity bill from the Cooperative will include a line item for repayment of the financing through monthly installments. Payments by such Consumers will be applied by the Cooperative first to the financing (first to costs and expenses; then to finance charges; then to principal or the amount financed) and then to the Consumer's electric service bills.