

BARC ELECTRIC COOPERATIVE
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TERMS AND CONDITIONS
FOR THE
PROVISION OF ELECTRIC DISTRIBUTION SERVICE

*As filed with the
Virginia State Corporation Commission*

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TABLE OF CONTENTS

TABLE OF CONTENTS i

1. INTRODUCTION 1

2. DEFINITIONS 1

3. BECOMING A MEMBER 2

4. REQUIREMENTS FOR SECURING ELECTRIC SERVICE 2

5. USE OF ELECTRIC SERVICE 6

6. EXTENSION OF FACILITIES 9

7. BILLING AND PAYMENT FOR SERVICE 14

8. DISCONTINUANCE OF ELECTRIC SERVICES 15

9. RECONNECTION OF ELECTRIC SERVICE 16

10. ELECTRIC SERVICE CHARACTERISTICS 17

11. METERS AND METERING 17

12. CUSTOMER COMPLAINT PROCEDURE 18

13. RATES 19

APPENDIX A – SCHEDULE F: FEES

APPENDIX B – RETAIL ACCESS GENERAL RULES & REGULATIONS

1. INTRODUCTION

This document sets forth the terms and conditions under which BARC Electric Cooperative supplies electric service to its members within its designated service territory on file with the Virginia State Corporation Commission. Changes in these terms and conditions may be made from time to time by the Cooperative's Board of Directors to meet new and/or unforeseen conditions. The terms and conditions contained herein are not to be considered complete in every detail for furnishing electric service but are intended to be a general guide of the practices of the Cooperative.

2. DEFINITIONS

a. "Acceptable Credit" means a member's credit history that does not reflect any delinquent notices, cut-off notices, returned checks, or service disconnection for non-payment for twelve consecutive billing cycles; or, satisfactory demonstration of ability to pay bills in a timely manner, as that may have been demonstrated on an existing electric service account with the Cooperative or by producing a letter of credit worthiness from the applicant's previous electric service provider.

b. "Applicant" means any person, entity, company, corporation, or public body requesting electric service from the Cooperative. This may include existing Cooperative Customers and Developers.

c. "BARC Electric Cooperative," "BARC" or "Cooperative" means the Virginia electric cooperative headquartered in Millboro, Virginia that is operating under the Utility Consumer Services Cooperative Act.

d. "Commission," "State Corporation Commission," or "SCC," means the Virginia State Corporation Commission, which has jurisdiction over the regulated portion of the electric utility industry.

e. "Customer," "Member" or "Member/Customer" means any person, entity, company, corporation or public body that has complied with these terms and conditions of service, the rules and regulations of the Cooperative, and whose application for membership has been accepted by the Cooperative and is being supplied electric service by the Cooperative.

f. "Delivery Point" means the point where the Cooperative's equipment for supplying electric energy is connected to the Member's facilities for receiving the electric energy, unless otherwise specified in a written agreement with the Member.

g. "Developer" means an individual, partnership, company or corporation engaged in the business of developing a parcel of land into a residential subdivision or a commercial/industrial park for the purpose of selling or leasing subdivided property.

h. "Development" means a residential subdivision, or commercial/industrial park, which is intended as a commercial enterprise to sell or lease real estate parcels or business spaces to customers of the Developer for the financial benefit of the Developer.

i. "Distribute," "Distributing" or "Distribution of" Electric Energy means the transfer of electric energy through an electric distribution system to a Customer.

j. "Facilities," means the Cooperative's Primary Facilities and Secondary Facilities.

k. “Inspection Authority” means the authorized representative of any federal, state, local government, agency or political subdivision, having lawful authority to enforce federal, state, or local building codes.

l. “Mailed,” when referencing the presentment of bills or other notices, means the date a bill or other notice is delivered to a U.S. Post Office or electronically posted/transmitted, if that is the billing method selected by the Customer.

m. “Non-Standard Service” means any service that is not a Permanent Bona Fide Residence or a Permanent Bona Fide Commercial Structure, and includes, but is not limited to, service requested to a location which is not owned by an Applicant, or which, in the judgment of the Cooperative, is not likely to be occupied by a successor should it be abandoned by the Applicant.

n. “Normal Business Hours” means 8:00 a.m. to 4:30 p.m., Monday through Friday – holidays excepted.

o. “Permanent Bona Fide Commercial Structure” means a commercial or industrial structure designed and/or used for a legitimate business purpose, that contains sanitary health facilities, and for which the local government’s applicable building official has issued a building permit.

p. “Permanent Bona Fide Residence” means a residential dwelling that contains a kitchen, sleeping quarters, and sanitary health facilities, and for which the local government’s applicable building official has issued a residential building permit.

q. “Primary Facilities” means the Cooperative’s distribution system designed to carry 7,200 volts or greater and generally consisting of all poles, conductors and appurtenant equipment between the substation and transformer serving the Member.

r. “Regulated Supply Service” means an electric service made available to retail Members who (i) do not affirmatively select a supplier, (ii) are unable to obtain service from an alternative supplier, or (iii) have contracted with an alternative supplier who fails to perform. Such service is provided under regulated rates on file with the Commission.

s. “Secondary Facilities,” or “Service Facilities” means the Cooperative’s distribution system designed to carry less than primary voltages and generally consisting of all poles, conductors, and appurtenant equipment between and including the distribution transformer and the Delivery Point.

3. BECOMING A MEMBER

Any person, entity, company, corporation, or public body, who controls, by ownership or lease, the property to be served, who wishes to become a member of the Cooperative, may refer to the Cooperative’s bylaws for the procedures and rules for becoming a member. Termination of membership shall not release a Member or the Member’s estate from debts owed to the Cooperative.

4. REQUIREMENTS FOR SECURING ELECTRIC SERVICE

a. Application or Agreement.

Prior to becoming a Member, Applicants must provide to the Cooperative acceptable proof of identity and such other information as requested, and agree to be bound by the applicable rates, and these terms and conditions of service, including any applicable agreements.

Any Applicant owing a debt to the Cooperative shall not be allowed to join the Cooperative or receive service from the Cooperative until the debt has been paid in full or arrangements satisfactory to the Cooperative have been made for the satisfaction of the outstanding debt.

No person shall receive electric service until they have signed the Cooperative's "Application for Membership" form and its agreement for the purchase of electric service, and has paid a membership fee. Such payment shall make the Member eligible for electric service on the premises referred to in the application.

Applicants must contact the Cooperative before service will be made available. Under certain conditions the Cooperative may require the Applicant to sign a contract or a letter of agreement where the monthly minimum is higher than specified under the applicable rate schedule. Customers may reference applicable rate schedules or contact the Cooperative to determine if such an agreement is required.

The Cooperative reserves the right to require that the Applicant establish that the Applicant is the owner or bona fide lessee of the premises, which may be accomplished by the Applicant submitting a formal lease agreement or a letter from the actual owner verifying the Applicant as a bona fide lessee. In addition, owners or bona fide lessees must execute the Application for Membership and the agreement for the purchase of electric service.

b. Deposits.

i. The Cooperative shall require the Applicant or Member to deposit with it initially, and from time to time, as a guarantee of payment for electric service used, such amount as, in the Cooperative's judgment, will secure it from loss. The standard deposit amount for a particular location shall be two (2) times the current dollar value of the highest historical monthly kilowatt-hour usage within the twelve (12) months prior to application for service. For a new service or new location without a usage history with the Cooperative, the Cooperative shall estimate the Customer's forecasted usage for purposes of calculating the deposit for that service.

ii. Whenever the required deposit from any Member receiving service under Schedule A equals or exceeds the sum of One Hundred Fifty Dollars (\$150.00), that Member shall be permitted to pay the required deposit in three consecutive equal monthly installments; provided, however, that the Cooperative shall have the discretion to allow payment of any deposit over a longer period of time, not to exceed six (6) months, to avoid undue hardship to the Member.

iii. The Cooperative will pay interest on deposits held longer than ninety (90) days at a rate which shall be determined annually by the Commission.

iv. The Cooperative shall annually credit to the Customer's account all accrued interest or, upon the Customer's request, make direct payment.

v. For residential Customers having met the deposit requirement, the Cooperative will return the deposit after the Customer has established twelve (12) consecutive months of Acceptable Credit. Deposit refunds will be credited to the Customer's account.

vi. For nonresidential Members that have met the deposit requirement, unless otherwise specified in the applicable tariff, the Cooperative will return the Member's deposit after the Member has established twenty-four (24) consecutive months of Acceptable Credit. After all indebtedness to the Cooperative has been paid, the Cooperative will credit the deposit to the Member's account, or, upon the Member's request, make direct payment to the Member.

vii. After termination of electric service, and after all indebtedness to the Cooperative has been paid, all remaining deposits plus earned interest will be returned to the Customer. The Cooperative shall have a reasonable time to disconnect service and to ascertain that all obligations of the Member have been fully performed before being required to return any deposit.

viii. Additional deposits may be required resulting from Member damage to Cooperative equipment as outlined in the section entitled, "Meter Tampering, Current Diversion or Unauthorized Reconnection."

c. Fees.

Before becoming a Member, Applicants shall pay all other required fee(s), deposit(s) and charge(s).

d. Rate Schedule Selection.

The Cooperative's Terms and Conditions and rate schedules for electric service on file with the Commission are available upon request at the Cooperative's offices.

Unless otherwise agreed to in writing by the Cooperative, after the effective date of these Terms and Conditions, it shall not be permissible for a business establishment and a residence to receive service through one meter except where the applicable nonresidential rate is applied.

e. Right-of-Way.

The Cooperative shall determine the route of the right-of-way based on the least cost method and utility accepted routing practice. As a condition of becoming or remaining a member, the Member shall, at no cost to the Cooperative, grant and/or furnish all easements satisfactory to the Cooperative and all other permits necessary to provide electric service on Cooperative approved forms. The Member shall give the Cooperative and/or its agents access to the Cooperative's equipment and Facilities, and the right to construct, operate and maintain its Facilities at all times.

Prior to construction of Cooperative Facilities, proof that all right-of-way easements and permits required for the Cooperative's and the Applicant's facilities have been secured must be provided to the Cooperative. The Cooperative may solicit right-of-way easements from nonmember property owners whose lands will be affected by the extension of the Cooperative's Facilities to the Applicant. If nonmember landowners require compensation for granting easements necessary to provide electric service to the Applicant, then the Cooperative shall notify the Applicant of those landowners' demands and request the Applicant to satisfy such demands. If the Cooperative's efforts to obtain the easement(s) are not successful, the Applicant may be required to either secure, or assist in securing, a satisfactory easement from others, and/or pay the Cooperative's additional costs, including those resulting from condemnation.

Developers shall grant the Cooperative: (i) a blanket easement for the entire Development, which, among other things, grants a free and continuous right-of-way in perpetuity to enable the Cooperative to construct, maintain and operate an electrical distribution system next to the streets of or upon the property of the development; (ii) the authority to design construct, maintain, upgrade, relocate, and operate an electrical distribution system as proposed by the Cooperative; and (iii) the authority to design, construct, maintain, upgrade, relocate and operate a communications network.

The Cooperative shall have (i) the right to keep all written and prescriptive easements clear of trees, shrubbery, undergrowth and other obstructions, (ii) the right to remove danger trees from outside of the right-of-way, and (iii) the right to remove new vegetative plantings placed in the right-of-way by Members.

The Cooperative reserves the right to refuse requests to solicit easements to properties where the Applicant or Developer has not qualified for electric service. If the Cooperative elects to solicit easements to sites not qualified for electric service, the Cooperative may charge the Applicant or Developer to recover the costs of its easement solicitation efforts.

The Cooperative shall not be required to supply electric service until a reasonable time has elapsed after the Cooperative has obtained all necessary applications, easements and/or permits under financial arrangements satisfactory to the Cooperative.

The Cooperative shall not be responsible for any subterranean damage to trees, shrubbery, or undergrowth located outside the provided right-of-way on the Applicant's property that may result from work done by the Cooperative within the provided right-of-way during the installation of its Facilities to serve the Applicant.

f. Connection Provisions.

Provision must be made by the Applicant for a structurally sound point of attachment, capable of withstanding the mechanical strain which will occur as a result of the attachment of the service wires thereto and located in such a manner to maintain clearances of service wires as required by the National Electrical Safety Code.

g. Applicant Wiring.

The Applicant's wiring must conform to the most current version of the National Electrical Code and the specifications of the Cooperative. Before connection of service, the Cooperative reserves the right to require that the Applicant's installation and/or facilities be approved by the Inspection Authority. In no event shall the Cooperative be under any obligation to inspect the wiring or appliances of the Applicant, but where the Cooperative has reason to believe the wiring or appliances of the Applicant do not comply with recognized requirements, the Cooperative may refuse to supply electric service to the Applicant. The Applicant, or Customer, whichever is applicable, shall be responsible for notifying the Cooperative of any plans for adding appliances, equipment and/or motors, which might overload or impair the electrical service or the Facilities of the Cooperative. It is recommended that in the installation of a wiring system, the Applicant give consideration to all foreseeable future uses and install service entrance conductors and equipment of such capacity as to carry the maximum anticipated future loads.

h. Electric Service Limitations.

The Applicant, or Customer, whichever is applicable, before purchasing motors, on demand electric water heaters, electric vehicles, or other equipment, or undertaking to install wiring, shall provide to the Cooperative all necessary data relating to the electrical characteristics of the new appliance or other equipment. The Cooperative reserves the right to set limitations on current inrush characteristics, demand, power factor, or any other characteristic of motors, wiring, electric water heaters, or any other equipment in order to protect the quality, reliability, and/or safety of its system, and/or the service to other Customers.

For agricultural services, an inspection by the Inspection Authority shall be required to the first means of disconnect.

i. Location and Maintenance of Cooperative's Equipment.

The Cooperative shall have the right to erect, install, and maintain any Facilities on the property of the Applicant or Customer, whichever is applicable, which in the judgment of the Cooperative are necessary for supplying electricity. The Applicant shall provide suitable space for the installation of the necessary metering apparatus.

5. USE OF ELECTRIC SERVICE

a. Cooperative as Sole Distributor.

The Applicant and/or Customer agrees that no electricity, other than that distributed by the Cooperative, shall be distributed over the Cooperative's Facilities to operate the Applicant's and/or Customer's equipment without previous written notice to and consent of the Cooperative.

b. Notification and Approval of Unusual Equipment Added by Customer.

In order to avoid undue outages or damages to the Customer's or Cooperative's equipment, the Customer should advise the Cooperative in writing at least forty-five (45) working days prior to any additions which will materially increase the demand caused by load increases.

The Customer shall notify and obtain the consent of the Cooperative before the addition of any unusual equipment or high load appliances. Such unusual equipment includes, but is not limited to: single phase motors over ten (10) horsepower, electric vehicles, on demand water heaters, three phase motors, generators or automated process' equipment, three phase motors over fifty (50) horsepower, and welders. The Cooperative reserves the right to refuse to supply electric service to any piece of equipment whose operation is considered to be a safety hazard or detrimental to the Cooperative's electrical system or any of its Customers. Furthermore, the Cooperative reserves the right to discontinue electric service to any Customer operating such equipment until such time as the Customer conforms to the Cooperative's terms and conditions.

Prior to the connection of unusual equipment, the Cooperative reserves the right to require that one (1) or more engineering studies be performed by an engineer or engineering firm of the Cooperative's choosing. The Cooperative will assist with and facilitate the Customer's study, but the Customer will be directly responsible to the engineer or engineering firm for payment. The cost of additional Facilities required to be installed by the Cooperative in order to compensate for the current in-rush characteristics may be charged to the Customer as specified in the Cooperative's rate schedules.

When any Customer initiated alterations require the change of location or character of service, service conductors, meters, transformers and other necessary Facilities, the Customer should make appropriate arrangements for the accomplishment of such changes by the Cooperative and the Customer's electrical contractor.

Service conductors, meters or metering equipment shall not be removed or relocated except by employees or authorized agents of the Cooperative authorized to do the work.

c. Customer Generating Equipment.

i. Interconnection. Except as otherwise provided in the Cooperative's Terms and Conditions, or as otherwise provided in the laws and rules of the State of Virginia as they apply to Customer net-metering, Customer-owned emergency generating equipment must not be installed so as to energize Cooperative's facilities by backfeeding from the Customer's wiring into the Cooperative's meter. A double pole break-before-make switch, or other approved disconnecting means, must be used to prevent backfeeding of Cooperative's Facilities. Such switch or disconnecting means shall be inspected by the Cooperative and the Inspection Authority, and is subject to the approval of the Cooperative prior to use. Detailed plans showing the equipment to be used, the load transfer arrangement and the electrical connections must be submitted to the Cooperative for approval. Except as otherwise provided in the Cooperative's Terms and Conditions, or as otherwise provided in the laws and rules of the State of Virginia as they apply to Customer net-metering, the Cooperative reserves the right to require that one (1) or more engineering studies be performed prior to the installation of Customer generating equipment. The Cooperative will assist with and facilitate the Customer's study, but the Customer will be directly responsible to the engineer or engineering firm for payment. For safety reasons, and except as otherwise provided, parallel operation of the Customer's generating equipment with the Cooperative's system is not allowed except where specifically approved by the Cooperative. An executed interconnection contract between Customer and the Cooperative may be required based on generator size and/or transfer arrangement.

ii. Distributed generation, Co-Generation, and Small Power Production. Any distributed generation facility, or qualifying co-generation or small power production facility as designated by the Federal Energy Regulatory Commission (FERC), shall be treated in accordance with applicable legal and regulatory standards. Small Generator Interconnections (SGI) other than Net Energy Metering and generators interconnected under the jurisdiction of FERC shall be treated in accordance with the Commission's rules and Regulations Governing Interconnection of Small Electrical Generators (20VAC5-314-10 et seq.).

iii. Net Metering Customer. Any qualifying net metering Customer as designated by Virginia Code § 56-594 shall be dealt with in accordance with applicable legal and regulatory State standards.

iv. Power From Generators. Retail Customers (including net metered Customers) are not permitted to use the Cooperative's Facilities to sell any portion of their on-site, self-generation into the electricity market without first having executed a contract for transmission service with both the Cooperative and the Cooperative's transmission provider.

d. Suitability of Apparatus to be Added.

The Customer has the duty to notify the Cooperative of any addition of, or change to, any significant apparatus or appliance to be provided electric service. The Cooperative reserves the right, but

shall not have the duty, to determine the suitability of any apparatus, or appliance to be connected to its lines, and to determine whether the operation of such shall be detrimental to its general supply of electricity, The Cooperative further reserves the right to refuse to supply, or to discontinue the supply of electricity until such time as the Customer shall conform to the Cooperative's regulations.

e. Electric Service for Customer's Use Only.

The Cooperative will furnish electric service to the Customer for use only for the premises occupied through ownership or lease by the Customer. This service shall not be remetered, submetered or otherwise controlled by the Customer for resale or assignment to others, except as provided by the laws of the state of Virginia.

f. Liability of the Cooperative and the Member.

The electricity supplied under any agreement is distributed by the Cooperative and purchased by the Customer upon the express condition that, after it passes the metering equipment of the Cooperative, or other point of delivery, it becomes the property of the Customer to be used only as herein provided. The Cooperative shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity on the Customer's premises or elsewhere, after it passes the Cooperative's metering equipment, or other point of delivery; or for any loss or damage resulting from the presence, character or condition of the wires or appliances of the Customer. The Cooperative shall not be liable for any injuries, deaths or property damage resulting from backfeeding of energy from Customers. Customers whose energy backfeeds onto the Cooperative's Facilities shall hold harmless, indemnify and defend the Cooperative from all claims, demands, costs or expenses for loss, damage, or injury to persons or property in any manner directly or indirectly arising from or connected with, or growing out of the Customer's production and/or backfeed of energy onto the Cooperative's Facilities.

The Customer shall indemnify, hold harmless, and defend the Cooperative against all claims, demands, costs or expenses, for loss, damage, or injury to persons or property in any manner directly or indirectly arising from or connected with, or growing out of the use or consumption of electricity by the Customer at or on his side of the point of attachment.

g. Interruption of Service.

The Cooperative will endeavor to maintain, as nearly as practical, full continuity of service but it cannot guarantee uninterrupted service. It is the Customer's responsibility to provide protection for his/her electric motors, apparatus, wiring and other equipment from the effects of unavoidable interruption or abnormal service supply conditions, such as low voltage, high voltage, single-phasing, lightning damage or frequency change. The Cooperative will not be held responsible for losses experienced by the Customer due to his/her failure to provide such protection. Without liability to the Cooperative, service may be interrupted or become abnormal because of any of the following causes:

i. Storms, accidents, equipment failure, outages caused by animals and/or acts of God;

ii. Failure of the Cooperative's power supplier, shortage in power supplies or capacity necessitating reduction in service or the implementation of rotating blackouts. When rotating blackouts are required, the Cooperative may, without notice and without incurring liability, implement them on the basis of what is, in the Cooperative's opinion, reasonably necessary to minimize adverse

impact on the public health and safety and to facilitate restoration of normal service to all Customers at the earliest time practical;

iii. An adverse condition or disturbance on the system of the Cooperative, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some Customers or areas in order to limit the extent or duration of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service, the Cooperative may, without incurring liability, take such action as appears reasonably necessary;

iv. By order of governmental authorities;

v. To make repairs, to limit or reduce the duration of interruptions, or to prevent damage to the Customer's or the Cooperative's equipment; or

vi. Civil disorder, strikes, or other labor trouble, riot, insurrection, war, fire or any other cause where the Cooperative believes it is necessary to de-energize part of its Facilities for the protection of the public, its employees, or its electric system.

Upon correction of conditions, which caused the interruption, the Cooperative will be diligent in re-energizing its Facilities when it is safe to do so. Upon any interruption of service, or any abnormal service, the Customer should notify the Cooperative as soon as possible.

h. Customer's Responsibility.

The Customer shall be responsible for providing the Cooperative and/or its agent access to the Cooperative's Facilities installed on the Customer's premises. The Customer shall be responsible at all times for the safekeeping of all Cooperative Facilities installed on the Customer's premises and to that end shall give no one, except authorized Cooperative employees or its agents access to such property. The Customer may be liable for the cost of repairs or damage done to the Cooperative's Facilities on the Customer's premises resulting from the negligence of, or misuse by anyone other than Cooperative employees and/or its agents.

The Customer shall be responsible for the maintenance and repair of the Customer's wiring and equipment. Additionally, it is the Customer's responsibility to provide adequate protection for their motors or other equipment as defined in the most current version of the National Electrical Code. Should the Customer report trouble with the supply of electricity, the Cooperative will endeavor to respond with reasonable dispatch to such calls with the purpose of correcting only such trouble as may be in the Cooperative's equipment supplying said Customer.

The Cooperative retains responsibility only with respect to the actions of its employees and/or its agents in connection with property owned by the Cooperative.

6. EXTENSION OF FACILITIES

a. Generally.

All costs relating to the extension of Cooperative Facilities to an Applicant's Delivery Point are in addition to the fees, rates, charges, and other associated costs and requirements for securing electric

service as described elsewhere in these terms and conditions. All extensions of Facilities are subject to the following general rules:

i. The Cooperative shall design and construct Facilities in a manner that is in the best interests of the Cooperative while still meeting the service requirements of the Applicant. Such determination(s) shall be at the sole discretion of the Cooperative. In making such determination(s), the Cooperative will consider, among other factors, the most economical and cost effective design, installation, operation, and maintenance of the distribution system, and the probability that the Facilities may be utilized in the future to provide service to other Customers.

ii. The Cooperative shall not be required to make any extension of Facilities until the Applicant to be supplied from such extension has:

A. Signed all applications and/or agreements;

B. Paid in full all fees, deposits, charges, and contributions-in-aid of construction in accordance with these terms and conditions;

C. Fulfilled such other conditions for the connection of electricity as may be required by the Cooperative; and

D. Wired and made ready for service all premises to be served.

iii. Should the Cooperative, in order to meet its future needs, select a more costly final construction design than what is reasonable and customary, the Cooperative shall bear those increased costs.

iv. Where the Applicant requests or requires that construction designs, methods and/or routes be used other than that which is selected by the Cooperative, the Cooperative may utilize such construction designs, methods and/or routes, provided, that the Applicant prepays in full all additional costs associated with the change in construction design, method or route.

v. Where a request is made by an Applicant for existing Cooperative Facilities to be altered to suit the purposes of the requesting party, and such alteration is deemed reasonable by the Cooperative, the requesting party shall pay a contribution-in-aid of construction for all associated additional costs prior to the beginning of construction. The Cooperative may give consideration and credit if, in the judgment of the Cooperative, the alteration is otherwise beneficial or needed for reliable service.

vi. The Applicant shall pay all extra costs incurred due to adverse construction conditions such as rock, shale, sandstone, buried stumps, trash or other soil conditions which prevent normal construction operations at a normal rate in normal soil conditions. These additional costs include hand excavation, drilling, chipping, blasting, excavating, providing and placing for padding dirt, sand, or stone dust, backfilling, and disposal of excess excavated material unsuitable for backfill. These additional charges shall be billed to the Applicant as a contribution-in-aid of construction. Any unforeseeable charges (such as adverse construction conditions, relocation of Facilities, conduit requirements, etc.) will be paid by the Applicant as soon as work is completed and the bill has been rendered. The Applicant shall have the option to perform certain work associated with adverse construction conditions in accordance with Cooperative specifications. The Cooperative shall be entitled to withhold further extension of its Facilities until such bill is paid in full.

vii. When service is provided from an overhead service, the Cooperative will attach its service wires to the house or service pole, including necessary cable to the meter base, and the Applicant shall provide all necessary wiring beyond that point. The Cooperative provides service entrance cable for Schedule A services only, and not for other commercial or industrial services.

viii. Where underground facilities are installed, the Applicant shall, in accordance with the Cooperative's specifications, provide, or pay the Cooperative to provide, any conduit required in locations specified by the Cooperative. At the Cooperative's option, an entire conduit system may be required.

ix. Where the grade changes or erosion occurs after the Cooperative's underground facilities have been installed, and which, in the sole opinion of the Cooperative, results in an unsafe condition, the Applicant shall bear the entire cost of removal and re-installation of these Facilities to comply with the Cooperative's specifications.

x. Whenever an Applicant applies for an extension of Facilities to serve a new meter, the Applicant guarantees revenue to the Cooperative equal to twelve (12) minimum charges as soon as the electricity is made available even if (A) there is no use made of the electricity, and/or (B) the Applicant attempts to disconnect electric service within the subsequent twelve (12) month period. The connection charge or contribution-in-aid of construction shall be in addition to the revenue guarantee.

xi. Except as otherwise provided in this subsection, the Cooperative shall provide the materials and perform the work to extend its Facilities to the Applicant's or Developer's Delivery Point. Upon request of the Applicant or Developer, the Cooperative may grant permission for the Applicant or Developer to perform certain limited tasks involved in the extension of Facilities on the Applicant's property, including, but not limited to, excavating, trenching, digging, right-of-way clearing, and backfilling. In such cases, the Applicant's or Developer's work shall be performed according to Cooperative specifications, and subject to inspection and approval by the Cooperative prior to the extension of any of the Cooperative's Facilities.

xii. The Cooperative's standard electric service is single-phase 120/240-volt service.

xiii. The Cooperative shall furnish a standard meter base to be installed by the Applicant. Unless otherwise agreed upon, the meter base shall be attached by the Applicant at a point and height designated by the Cooperative.

xiv. The Applicant shall provide to the Cooperative an approved site plan showing: (A) the proposed or existing location of the house; (B) the proposed or existing meter location; (C) well and/or water lines; (D) sewer lines and/or septic systems, drain field and reserve areas; (E) gas, propane, and/or oil lines and storage tanks; (F) private electric lines; and (G) other private and public underground facilities.

b. Costs & Contributions-in-Aid of Construction.

i. Where an Applicant requests an extension of Facilities for any service under Schedule A, the Cooperative shall extend its Facilities to the Applicant's Delivery Point at a maximum estimated cost equal to six (6) times the Cooperative's projected annual distribution delivery revenue for such service. This projection shall be made at the sole discretion of the Cooperative, and shall be based on (A) information provided by the Applicant via the Cooperative's standard load letter form for such service, as amended from time to time, and (B) the Cooperative's distribution revenue forecast tables, as amended from time to time. The Cooperative's distribution delivery revenue projection shall be final and

conclusive. When the Cooperative's total estimated cost of extending its Facilities exceeds an amount equal to six (6) times the projected annual distribution delivery revenue, all of the Cooperative's costs in excess of the projected annual distribution delivery shall be prepaid by the Applicant as a contribution-in-aid of construction. These costs include the costs of both Primary and Secondary Facilities. The Cooperative reserves the right to require additional financial and/or contractual agreements based on the load and demand characteristics the Applicant will place on the system.

ii. Where an Applicant requests an extension of Facilities to a Permanent Bona Fide Commercial Structure or any other non-Schedule A service, the Cooperative shall extend its Facilities to the Applicant's Delivery Point at a maximum estimated cost equal to two (2) times the Cooperative's projected annual distribution delivery revenue for such service. This projection shall be made at the sole discretion of the Cooperative, and shall be based on (A) information provided by the Applicant via Cooperative's standard load letter form for such service, as amended from time to time, and (B) the Cooperative's distribution revenue forecast tables, as amended from time to time. The Cooperative's distribution delivery revenue projection shall be final and conclusive. When the Cooperative's total estimated cost of extending its Facilities exceeds an amount equal to two (2) times the projected annual distribution delivery revenue, all of the Cooperative's costs in excess of the projected annual distribution delivery revenue shall be prepaid by the Applicant as a contribution-in-aid of construction. These costs include the costs of both Primary and Secondary Facilities. The Cooperative reserves the right to require additional financial and/or contractual agreements based on the load and demand characteristics the Applicant will place on the system.

iii. For underground extensions of Facilities, the Applicant is responsible for performing the following at no cost to the Cooperative:

A. Grade the right-of-way to within plus or minus six (6) inches of final grade and remove all construction material, trash and other obstructions that would be a hindrance to trenching or backfilling operations;

B. Backfill excavations around the footings, foundation and wall that conflict with the location of the proposed electric Facilities;

C. Locate, in conjunction with the Cooperative's engineering on-site design, all private underground facilities (water, septic, electric, etc.) on the property that may be in conflict with the construction plan. The Cooperative may require the Applicant to expose all private underground facilities. The Cooperative or its contractors will not be responsible for any damage to private facilities that have not been accurately located and marked prior to construction. Water lines or other private facilities may not be installed in the trench with the electric service without prior approval of the Cooperative;

D. Locate and mark all necessary property lines and corners so the Cooperative can be assured of being within its right-of-way; and

E. Restoring and regrading any settling that occurs on backfilled trenches dug by the Applicant on their property.

v. The parties may, by mutual agreement, amortize large contributions-in-aid of construction over a period of time, payable monthly by the Applicant, along with a reasonable and customary interest rate.

c. Developments.

The Developer shall provide to the Cooperative an approved final site plan showing proposed sites, and water, sewer and other supporting underground facilities to enable the Cooperative to perform proper engineering design work. If the Developer requests the extension of Cooperative Facilities within a Development and/or to a Development, the Developer shall be required to prepay to the Cooperative the total cost of the project prior to the extension of Facilities. The Cooperative will provide to the Developer a design and cost estimate for all such Facilities based on the most efficient and overall cost-effective methods. The Developer shall pay for all additional costs incurred by the Cooperative due to adverse construction conditions such as rock, shale sandstone, buried stumps, trash or other soil conditions which prevent normal trenching operations at their normal rate in normal soil conditions. These additional costs include hand excavation, drilling, chipping, blasting, excavating, providing and placing for padding dirt, sand, or stone dust, backfilling and disposal of excess excavated material unsuitable for backfill. These additional charges shall be billed to the Developer. Any unforeseeable charges (such as adverse trenching conditions, relocation of Facilities, conduit requirements, etc.) shall be paid by the Developer as soon as work is completed and billing has been rendered. The Developer shall have the option to perform certain work associated with adverse trenching conditions in accordance with cooperative specifications. The Cooperative shall be entitled to withhold further extension of its Facilities until such bill is paid in full.

d. Residential and Small Commercial Excess Facilities.

“Standard Service Facilities” shall be defined as a 15kVA transformer and 200 amp service for all residential and small commercial customers.

Whenever an Applicant requests the Cooperative to supply electricity in a manner which requires equipment and Facilities in excess of Standard Service Facilities, such excess equipment and Facilities shall be provided under the following conditions:

i. Construction shall be to the Cooperative’s specifications and the Cooperative’s transformers and other service equipment shall be installed in a place and manner satisfactory to the Cooperative.

ii. The Applicant shall pay Cooperative the difference in the installed cost of all equipment and Facilities required for excess equipment or Facilities above a 25kVA transformer or 400 amp service.

iii. The Cooperative shall not be required to furnish any Facilities beyond the Applicant’s side of the Cooperative-owned meter located on the Applicant’s premises.

iv. Where the Applicant requests that the Cooperative’s existing Facilities be altered or rearranged to suit the Applicant’s purposes, the Cooperative shall require the Applicant to pay the estimated cost of such alterations of Facilities as may be required.

v. The Cooperative shall not be required to make such installation of equipment and Facilities in excess to those normally provided until the Applicant has signed such agreements and fulfilled such other conditions as may be required by the Cooperative. This shall also apply when an Applicant requests alterations to the Cooperative’s existing Facilities.

e. Special Services of Short Duration.

For any connection that will require service for only a short duration of time, the Applicant will be required to pay in advance all estimated construction and removal costs less salvageable material as determined by the Cooperative.

f. Temporary Construction Service.

i. Before construction of a temporary extension, defined as any extension not required for or intended to be used for permanent electric service, the Applicant shall pay the estimated sum of construction and removal costs, less the value of salvaged material, as determined by the Cooperative.

ii. Service of this type will be furnished to the property during the construction phase.

iii. When special construction is required which will not become part of the permanent connection, the Applicant must pay all estimated construction and removal costs less salvageable material before this service is extended.

iv. The temporary equipment provided by the Cooperative should be removed after a reasonable period of time, not to exceed twelve (12) months. If, after twelve (12) months, a Customer is still being served with temporary equipment, the Customer may be Mailed a notice of the Cooperative's intention to remove the temporary equipment after thirty (30) days. The Customer will then have thirty (30) days to change the electric connection from temporary to permanent equipment or become subject to disconnection.

7. BILLING AND PAYMENT FOR SERVICE

a. Billing Procedures.

i. Bills. Bills shall be rendered by the Cooperative to the Customer monthly except where otherwise provided in the applicable tariff or contract for electric service. Bills will be computed using metered energy and power consumption, will reflect all applicable charges, credits, and fees included in the applicable tariffs, and will reflect any charges or credits that may be specified in a contract for electric service between the Customer and the Cooperative.

ii. Meter Readings. Certain rates of the Cooperative for electric service are based on the condition that monthly meter readings shall be obtained. In the event a valid meter reading is not obtained prior to computing a bill, the Cooperative will use an estimated meter reading. An estimated meter reading will be used no more than two (2) consecutive billing periods unless there is mutual agreement between the Cooperative and the Customer for an extended period. In the event that the meter has failed and no valid meter reading is obtained, an estimated bill will be generated by the Cooperative using the best available information. The Cooperative may adjust estimated bills using actual information if it becomes available. In addition, the Cooperative may read any individual group or class of meters at its discretion.

b. Terms of Payment/Collection.

Bills are due when presented. Bills shall be considered presented when delivered to the U.S. Post Office. Bills will show the date by which payment must be received in the Cooperative's office to avoid

late payment charges. In no case shall this late payment date be less than twenty (20) days from the mailing date of the bill. If payment has not been received by the late payment date, a one and one-half percent (1.5%) penalty per month will be applied on the outstanding balance less local government utility taxes. Consumers with unpaid balances of ten dollars (\$10.00) or more at the time the succeeding bill is delivered shall be Mailed a ten (10) day notice of intent to disconnect service. If the bill remains unpaid at the end of such ten (10) day notice, electric service to the premise of the Customer shall be subject to disconnection without further notice.

If the service is disconnected for nonpayment, the Customer must pay all outstanding balances plus all applicable fees according to Schedule F and/or arrange for applicable deposit before service will be restored.

The Cooperative reserves the right to apply any payment or payments made in whole or in part to any account due the Cooperative by the Customer unless the Customer has instructed otherwise. However, the Cooperative may apply any payments in excess of the account specified to other accounts due the Cooperative by the Customer. Whenever payment is made by a check and/or other form of payment not honored by the institution upon which the payment is drawn, a fee shall be charged for the returned payment in accordance with Schedule F.

Upon disconnection of service for any reason, the Customer shall be sent a final bill at the next regular billing cycle showing the outstanding amount owed after deducting all applicable credits.

8. DISCONTINUANCE OF ELECTRIC SERVICES

a. Without Notice. The Cooperative reserves the right to discontinue furnishing electric service, without notice, to a Customer, irrespective of any claims pending against the Cooperative, upon the occurrence of any one or more of the following events:

i. Whenever, in the Cooperative's opinion, the conditions of the Customer's wiring, equipment and appliances are either unsafe or unsuitable for receiving electricity, or when the Customer's use of electricity or equipment interfere with, or in the opinion of the Cooperative may be detrimental to the supply of, electricity by the Cooperative to any other Customer;

ii. Whenever the Cooperative, in its opinion, has reasonable cause to believe that a Customer is, or has been, receiving electric service without paying therefore, or that the Customer in any manner interferes with the proper metering of such electric service. The Customer will pay for any costs incurred by the Cooperative as a result of such actions by the Customer;

iii. In any case of any misrepresentation by the Customer to the Cooperative (such as falsifying information on the Application);

iv. Emergency repairs or alterations;

v. Unavoidable shortages or interruptions in the Cooperative's source of supply, other cases of emergency; and/or

vi. When ordered by authorities having jurisdiction.

b. With Written Notice. The Cooperative reserves the right to discontinue furnishing electric service, with written notice, to a Customer, irrespective of any claims pending against the Cooperative,

upon the occurrence of any one or more of the events in this subsection. Notice of discontinuance shall be considered to be given to a Customer when a copy of such notice is left with the Customer or left at the Customer's premises, or when mailed to the Customer's Post Office address reflected in the records of the Cooperative.

- i. Failure to comply with the bylaws or Terms and Conditions of Service of the Cooperative;
 - ii. Failure to pay bills for electric service;
 - iii. Failure to pay any required deposit;
 - iv. Failure to comply with the terms of any payment agreement, contract, or agreement for the purchase of electric service;
 - v. Whenever the Customer has denied a representative of the Cooperative access to the Cooperative's meters, wires, Facilities or other apparatus installed on the Customer's premises;
 - vi. Failure to correct any safety hazard having to do with electric service, judged by the Cooperative to be serious, but not life threatening; and/or
 - vii. Failure to correct violations of the National Electrical Code and the American National Standard Code for Electricity Metering caused by changes in the structure or grade.
- c. At Customer's Request. The supply of electricity will be disconnected to any Customer within a reasonable time after receipt of such request from the Customer to the Cooperative. Request for disconnection of service does not relieve the Customer of any of their obligations to the Cooperative.

9. RECONNECTION OF ELECTRIC SERVICE

a. Compliance with Terms and Conditions. If the electric service has been discontinued for any of the reasons covered above, the Customer shall comply with all Terms and Conditions of Service before the service is reconnected.

The Cooperative shall have a reasonable period of time in which to reconnect the Customer after the Customer has corrected all unsatisfactory conditions, or the events, which caused the disconnection, have been resolved.

b. Settlement of Charges and Fees. Any service disconnected for nonpayment normally shall not be reconnected until full payment is received for:

- i. All obligations to date;
- ii. A Reconnection Charge and/or applicable fees; and
- iii. Any required deposits.

For a Customer's settlement of charges and fees, where the Cooperative can dispatch service personnel before 3:30 p.m., the Customer shall be reconnected on that same day subject to a regular work hour's reconnection charge in accordance with Schedule F.

For a Customer's settlement of charges and fees, where the Cooperative can only dispatch service personnel after 3:30 p.m., an after-hours reconnection charge will be assessed in accordance with Schedule F.

c. Meter Tampering, Current Diversion or Unauthorized Reconnection. In the event of any meter tampering, electric current diversion, electricity theft, and/or unauthorized reconnection of electric service by the Customer, the Cooperative reserves the right to pursue any and all criminal and civil remedies available under the law. Before the Cooperative reconnects any service that has been disconnected due to meter tampering, electric current diversion, electricity theft, and/or unauthorized reconnection of service, the Customer shall comply with the following conditions:

- i. Pay for all damages to Cooperative equipment resulting from the tampering and/or provide a deposit as determined by the Cooperative to cover future tampering or damage;
- ii. Pay an amount estimated to be sufficient to cover the energy consumed or service received;
- iii. Pay all reconnection charges and fees;
- iv. Pay any other required deposits;
- v. Pay a fee to cover the cost of testing the meter in accordance with the Schedule E; and
- vi. Make any changes in wiring or equipment, which, in the opinion of the Cooperative, may be necessary for the protection of the Cooperative.

10. ELECTRIC SERVICE CHARACTERISTICS

a. Quality and Continuity of Service. The standard of service supplied by the Cooperative shall be of the same quality as other similarly situated electric cooperatives that have a similar load profile and service territory characteristics.

b. Voltage. The Cooperative's standard voltage for lighting and other domestic uses shall be 120/240 volts, 60 cycles, single-phase alternating current. Other voltages may be furnished by special arrangements with the Cooperative and at the option of the Cooperative. The Cooperative will endeavor to maintain the voltage within 7.5% above or below the standard voltage at the Delivery Point. Variations in voltage above or below that the specified range that are caused by the action of the elements, the nature of the Customer's equipment, or acts of God, or any other reasons beyond the reasonable control of the Cooperative, shall not be considered as violations of these permissible variations.

11. METERS AND METERING

a. Ownership and Location.

Meters and metering equipment used to measure the energy delivered from the Facilities of the Cooperative to the Customer's premises will be installed and owned by the Cooperative. In general, meters shall be located approximately five and one-half (5 ½) feet above finished grade and on the outside

of the building. The location of the meter and the point at which the Cooperative's supply lines terminate on the building of the Customer shall be designated by the Cooperative. The Cooperative will furnish the meter socket, which shall be installed by the Customer as a part of the service entrance. No part of the service entrance shall be concealed before entering the meter socket.

The Cooperative shall have clear and unrestricted access to its metering equipment. Should the Cooperative's meter become inaccessible due to some action by the Customer, the Cooperative will notify the Customer in writing that corrective action is necessary. If, after ninety (90) days, the problem has not been corrected, the Cooperative reserves the right to disconnect the service until the Customer complies with the corrective action. Exceptions to this provision exist with respect to certain large power Customers utilizing different metering equipment.

For remote metered locations where the meter is located somewhere other than the structure for which it is metering, the electric disconnect device shall be located within 15 feet of the Cooperative's point of service demarcation.

b. Periodic Testing.

Periodic tests of meters used to measure energy delivered to Customer will be made in compliance with The American National Standards Institute (ANSI). A more frequent periodic testing schedule may be instituted if deemed necessary by the Cooperative.

c. Tests Requested by Customer.

Upon request by a Customer, the utility shall test their meter provided that such tests need not be made more frequently than once every twenty-four (24) months. If testing of a meter is required by the Customer to be made more frequently than once in a twenty-four (24) month period, the utility shall require a deposit in accordance with Schedule F. Such fees are refundable only if the percentage registration of the meter exceeds one hundred and two percent (102%). A written report of the results of the test shall be made to the Customer within ten (10) days after the completion of the test.

d. Meter Inaccuracy.

If a meter used to measure electric energy delivered to a Customer's premises is tested and found to be inaccurate by an amount in excess of two (2) percent, whether or not the inaccuracy is in the Customer's favor or disfavor, an adjustment to the bill will be made. The term subject to the adjustment shall not exceed the most recent six months. The effect of the adjustment will be rendered to the Customer as an appropriate credit or debit entry on his subsequent statement for electric service.

e. Meter Failure.

If the meter is found to not be registering at all, the Cooperative will use the best available information to estimate the monthly consumption of power and energy. The term subject to the adjustment for a meter failure shall not exceed the most recent twelve months.

12. CUSTOMER COMPLAINT PROCEDURE

Customers shall be advised annually of the existence of an established customer complaint procedure that will include a toll free telephone number for the Cooperative by which they may make inquiries or register complaints. The complaint procedure shall be kept on file at the Cooperative office.

The same information will be furnished to each new Member. The Cooperative will maintain an after-hours toll free telephone answering system which will give Customers access to a Cooperative agent at all hours to report power outages and other emergency situations. Designated personnel shall be available to receive inquiries from Customers who may request personal consultation at all times during Normal Business Hours. Toll free telephone number service to the Cooperative's offices from all service areas shall be maintained for the convenience of Customers.

13. RATES

The Cooperative has the following rates available:

- Schedule A – Unbundled Rural Electric Service
- Schedule B – Unbundled Commercial and Small Power Service
- Schedule LP-1 – Unbundled Large Power Service
- Schedule Y – Yard Lighting Service, Dusk-To-Dawn
- Schedule QF
- Schedule GV
- Schedule PV
- Schedule EF
- Schedule PCA
- Net Energy Metering Rider
- Renewable Energy Rate Rider R

APPENDIX A

SCHEDULE F – FEES

Type of Fee or Service Charge	Amount
A. Membership Fee – Initial Service Connection	\$5.00 (Refundable)
B. Service Connection Fee (Non-refundable)	\$50.00
C. Reconnection Charge to Existing Customers Following Disconnection For Nonpayment. If the Actual Reconnection is Performed: During Working Hours, per Trip per Meter After Working Hours, per Trip per Meter	\$100.00 \$250.00
D. Returned Check Processing Fee	\$25.00
E. Trouble Call – Outage on Member’s Side of Delivery Point	\$200.00
F. Meter Testing Deposit Single-phase meters Polyphase meters	\$250.00 \$350.00
G. Replace Missing, Damaged, Broken or Cut Meter Seal	\$250.00
H. Meter Reading Fee for Persons with EMF Illness	\$100.00