

TWIN VALLEY ELECTRIC COOPERATIVE, INC.

Rules & Regulations

Version 1.1

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SECTION 1 - DEFINITIONS

In addition to the usual meaning, all words or terms used in these Rules and Regulations, in Rate Schedules and in Applications and Contracts for Membership and Electric Service are intended to have the meanings regularly ascribed to them by the electric utility industry. The following terms, unless otherwise indicated therein, shall have the specific meanings given below:

A. Cooperative: Twin Valley Electric Cooperative, Inc., 501 S. Huston Ave., P.O. Box 368, Altamont, Kansas, 67330, telephone 620-784-5500, which furnishes electric service under these Rules and Regulations.

B. Member: Any person, partnership, association, firm, public or private corporation, or governmental agency applying for or using electric service supplied by the Cooperative.

C. Residential Member: A Member applying for or using electric service at a home or farm service location occupied as a place of residence.

D. Application and Contract for Membership and Electric Service: The application and contract pursuant to which the Cooperative supplies electric service to the Member.

E. Multiple Residential Complex: Includes newly constructed mobile home courts and apartment buildings, as well as, renovated mobile home courts and apartment buildings where there exists two or more living facilities to be occupied as places of residence.

SECTION 2 - APPLICATION FOR SERVICE AND AGREEMENTS

A. APPLICATION BY MEMBER:

Application for electric service will be made in writing by Member to Cooperative on the Cooperative's standard Application for Electric Service and/or Membership form. This Application becomes an Electric Service Agreement or contract when accepted in writing by the Cooperative, or upon establishment of service. The Cooperative may require a separate Application for Electric Service and/or Membership for each class of service at the same or at each separate location.

B. ADDITIONAL PROVISIONS:

(1) Electric service will be supplied to the Member under the provisions of the Cooperative's Articles of Incorporation, Bylaws, Member's Electric Service Agreement, the Cooperative's applicable Rate Schedules, and all Rules and Regulations adopted by the Board of Directors, as such rules and regulations may be altered or amended by the Board from time to time, and any special Contract or Agreement with the Member. The taking of electric service by a Member will constitute acceptance of, and an agreement to be bound by, all such provisions. Any changes in Articles, Bylaws, Rate Schedules, or Rules and Regulations will act as a modification of the Electric Service Agreement then in existence without further notice to the Member.

(2) The Member will furnish upon request sufficient information relative to the size and characteristics of the load; the location of the premises to be served; and information needed to designate the class or classes of electric service to be supplied and the conditions under which it will be supplied.

C. RATES:

Rates for electric service will be those of the Cooperative currently in effect subject to applicability to the Members and subject to change as provided by law. Copies of the Rate Schedules currently in effect may be reviewed by any Member at the Cooperative's principal place of business where they have been filed of record. Member's eligibility for service under any particular rate schedule shall be determined solely by the Cooperative based upon the eligibility criteria set forth in the rate schedule. In the event that the Member is eligible for service under one or more rate schedules, it shall be the sole responsibility of Member to determine the rate schedule under which the Member will receive service. In the event that Member makes no such election, the Cooperative may provide service under the rate schedule which the Cooperative determines to be applicable to the Member. The Cooperative shall not be liable, and shall be held harmless, from Member's failure to elect the appropriate rate schedule under which service shall be provided.

D. TERM OF CONTRACT:

Unless otherwise specified, Electric Service Agreements will be effective for an initial period of one year commencing on the date that service is made available to the Member. When justified by the particular service requirements, the Cooperative may require a contract period in excess of one year commensurate with the Member's electric service requirements and the necessary service facilities and equipment. Service will be continued after the expiration of the initial contractual period until canceled by the Member upon proper notice to the Cooperative.

E. TEMPORARY SERVICE:

Temporary service may be supplied in accordance with the applicable Rate Schedule for the type of service to be supplied, except that there will be an additional charge paid in advance before service is established determined as follows:

- (a) An amount equal to estimated labor, overhead and expendable material charges for both installation and removal of the temporary service; plus

- (b) A security deposit or deposits, if required and in accordance with these Rules and Regulations.

F. CHANGE IN OCCUPANCY:

When a change of occupancy is to take place on any premises supplied with electric service by the Cooperative, the outgoing Member will give written or oral notice to the Cooperative's office not less than seven days prior to the date of change. The outgoing Member will be held responsible for payment of all electric energy recorded by the meter until the requested time of termination. If no such notice is given, the outgoing Member will be held responsible for electric energy recorded during the time in which the account continues to be in the Member's name as shown by the records of the Cooperative. The Member will not by such notice be relieved of any obligations already accrued under the Electric Service Agreement or other contract with the Cooperative.

G. RE-SELLING OR REDISTRIBUTION OF SERVICE:

The electric service provided is for the sole use of the Member and the Member will not sell, share, or re-deliver electric service to any person, except where specifically provided by applicable Rate Schedule or special contract. Any infraction of this rule will be sufficient cause for discontinuance of service under Section 5.A.(1)(h).

SECTION 3 - CREDIT AND SECURITY DEPOSIT REGULATIONS

A. ESTABLISHMENT AND MAINTENANCE OF CREDIT:

(1) Credit Information: The Member may be required to provide reasonable credit information to the Cooperative before service is made available. The Cooperative may request positive identification (identified as photo with name) from Residential Members. If positive identification is not immediately available, a Member providing a full deposit should have at least thirty days to secure positive identification.

(2) Security Deposit Required: The Cooperative shall, at the time of Application for service, require a security deposit to guarantee payment of bills for electric service rendered.

(3) The Cooperative may at any time after application for service, upon five days written notice, require an additional deposit to guarantee payment of bills for utility service rendered if:

(a) The Cooperative determines that the Member has outstanding, with the Cooperative; an undisputed and unpaid service account.

(b) The Cooperative determines that the Member has tampered with Cooperative facilities as defined in Section 6.J.

(c) The Member fails to pay an undisputed bill before the delinquency date for two consecutive billing periods, one of which is at least 60 days in arrears.

(4) No deposit will be required because of a Member's race, sex, creed, national origin, marital status, age, number of dependents, source of income, or geographical area of residence.

(5) An owner of a residence can present a Letter of Credit from their current Electric provider in lieu of paying the deposit.

B. CALCULATION AND PAYMENT OF SECURITY DEPOSIT:

(1) For Residential and Small Commercial Members, the security deposit will be the greater of \$200.00 or the average amount of that Member's projected 12 month usage. If the Member has tampered with Cooperative facilities as defined in Section 6.J., an additional deposit based on one month's average use may be assessed.

(2) For other than Residential or Small Commercial Members, the security deposit will be the greater of \$200.00 or the average amount of that Member's projected 12 month usage. If the Member has tampered with Cooperative facilities as defined in Section 6.J., an additional deposit based on one month's average use may be assessed.

(3) For purposes of establishing security deposits and projecting monthly bills, the Cooperative will consider the length of time the Member can reasonably be expected to take service, past consumption patterns, end use of service, and consumption patterns of other similar Members. The amount of the cash security deposit or guarantee may be adjusted if the character or volume of the Member's service should change.

(4) Security deposits will be non-transferable from one Member to another; however, upon termination of the Member's service at the service address, the Cooperative may transfer the security deposit to the Member's new active account. Disconnection for non-payment of security deposit will be governed by Section 5.A.(1)(e) of these Rules and Regulations.

(5) For purposes of this section, a Small Commercial Member is one which uses no more than 20 kW of electricity in any hourly period.

C. SECURITY DEPOSIT RECEIPTS:

(1) The Cooperative will maintain a record of all security deposits received from Members showing the name of each Member, the address of the premises for which the security deposit is maintained, the date and the amount of deposit, and the date and amount of interest paid.

(2) When the Cooperative accepts a security deposit, a non-assignable receipt will be issued to the Member containing the following minimum information:

- (a) Name of Member;
- (b) Service Location;
- (c) Date of deposit;
- (d) Amount of deposit;
- (e) Cooperative name and address, signature and title of the Cooperative employee receiving the deposit.

D. REFUND OF SECURITY DEPOSIT:

(1) Upon termination of service, if the security deposit is not to be transferred to the Member's new account, the Member's deposit will be refunded including simple interest at a rate not less than that provided by K.S.A. 12-822 and amendments thereto, less any unpaid bills, provided that the Member has paid all bills due to the Cooperative and has allowed the Cooperative to remove its meters and equipment in an undamaged condition.

(2) Security deposits taken from Residential owners who make non-delinquent payments of undisputed bills for electric service for the last 12 months will be credited, with simple interest as provided above, to their utility bills. Non-residential deposits will be held until service is discontinued. A deposit need not be returned until all undisputed amounts are paid.

(3) Interest payments on all deposits will be credited to the Member's bill or refunded at least once a year.

E. SECURITY ~~DEPOSIT~~DEPOSITS NOT A WAIVER:

The fact that a security deposit has been made will in no way relieve the Member from complying with the Cooperative's Rules and Regulations pertaining to payment of bills, nor will it constitute a waiver or modification of the regular practices of the Cooperative providing for disconnection of service for non-payment of sums due the Cooperative for service rendered.

SECTION 4 - BILL PAYMENT

A. PAYMENT OF BILLS:

All bills for electric service are due and payable upon receipt. Normally, bills will be sent by mail; however, the non-receipt of a bill by a Member will not release or diminish the obligation of the Member with respect to the full payment thereof, including penalties and interest.

B. CONTENTS OF BILL:

(1) The Cooperative will normally bill each Member each billing period in accordance with its applicable Rate Schedules. Each service bill issued to a Member will show:

- (a) The beginning and ending meter registration for the reading period, except that estimated billings will disclose that it is based on estimated usage;
- (b) The date of the meter reading and the date of the bill;
- (c) The final date by which a payment can be received before a delinquency charge is imposed;
- (d) The actual or estimated kilowatt usage during the billing period;
- (e) The amount of kW demand during the billing period (if applicable);
- (f) The energy cost adjustment for that billing period;
- (g) The amount due for prompt payment and the amount due after delinquency in payment;
- (h) The amount of additional charges due for past due accounts, security deposits, collection, connection or disconnection, installment payments, trip charges and other utility charges found in the service fees schedule;
- (i) The total amount due for the current billing period;
- (j) The amount due for franchise and sales taxes and research and development surcharges stated separately; and
- (k) The address and telephone number of the Cooperative and the identification of the person or office where a Member may report a disputed bill, make an inquiry concerning a bill, delinquency or termination of service, or otherwise express a concern.

(2) The Cooperative may include on the bill for utility services other charges for special services designated clearly and separately from charges for utility service. Special charges are those not authorized by tariff, such as the sale of merchandise or services

performed in connection therewith. If the Member makes a partial payment for the total bill, the Cooperative will credit payment:

- (a) first to charges such as disconnection/reconnection fees;
- (b) then to the balance outstanding for utility service beginning with the oldest service debt;
- (c) then to special charges as defined above.

(3) If the Member is paying in advance, each bill will also clearly disclose the overage or underage of the amounts paid to date as compared to the cumulative actual usage, in dollars, to date.

(4) The Member's bill will also show any adjustment to previous billings based on estimated usage or Member meter readings after actual usage has been determined from a meter reading by the Cooperative. The adjustment will be calculated for a period between the last valid meter reading and the most recent meter reading by the Cooperative. If the adjustment shows a net balance due the Cooperative, the Member will be given the opportunity, if requested, to pay the additional charges in equal installments over a period of time equal to the adjusted billing period. If a net balance is due, the Member will be given either a credit on subsequent bills or a refund, if the overpayment exceeds ten dollars and a refund is requested.

C. METER READING PERIODS:

Unless otherwise provided in the Rate Schedules, meters will be read at intervals approximating the billing period. The Cooperative reserves the right to adopt a plan dividing territory served into districts and of reading meters in each district at a selected time period.

D. ESTIMATED USAGE:

(1) The Cooperative may render a bill, other than a final bill when service is discontinued or an initial bill, based on estimated usage pursuant to estimating procedures if the bill is rendered:

- (a) When extreme weather conditions, emergencies, work stoppages, or other circumstances beyond the Cooperative's control prevent actual meter readings; or
- (b) When the Cooperative is unable to reasonably obtain access to the Member's premises for the purpose of reading the meter; or

(2) The Cooperative may render a bill based on estimated usage as a Member's final or initial bill pursuant to estimating procedures when:

- (a) The Member so requests and any necessary adjustments are made to the bill upon a subsequent actual meter reading by the Cooperative;

- (b) An actual meter reading would not show actual Member usage but is used in estimating usage; or
- (c) An actual meter reading cannot be taken because of a broken meter or other equipment failure.

(3) The Cooperative may render a bill based on estimated usage when the Member is paying in advance for usage where payments are based upon an estimated or projected average usage.

(4) When the Cooperative renders an estimated bill in accordance with this Section it will:

- (a) Maintain accurate records of the reasons therefore and efforts made to secure an actual reading;
- (b) Clearly disclose on the bill that it is based on estimated usage; and
- (c) Make any appropriate adjustment upon subsequent reading of the meter.

(5) All adjusted bills and bills covering more than a one month period will be based on the rate blocks according to the number of months involved. Adjustments will not be prorated for less than a one month period. Adjusted bills will show the credit or amount due based on the Member's readings or the Cooperative's estimate and will show the balance due and payable.

E. CASH PAYMENT:

The Cooperative may require that the Member make payment of bills by cash, certified checks, or money orders. The Cooperative will give seven days notice to the Member whenever checks will no longer be accepted for payment of bills.

F. RETURNED CHECK:

After the cooperative receives a returned check a letter will be mailed and the member will have 10 days to bring account current. The Cooperative may require a Returned Check Charge, as filed in the Service Fees Rate Schedule, from the Member for checks returned for insufficient funds or any other reason. After one check has been returned, cash or money order will be the only form of payment accepted for the following three months.

G. TAX ADJUSTMENT:

(1) Special Taxes: When any city, county, state, or other taxing sub-division imposes a franchise, occupation, business sales, license, excise, privilege, or similar tax of any kind on the Cooperative, the amounts thereof insofar as practical, will be charged on a prorata basis to all Members receiving electric service from the Cooperative within the boundaries of such taxing sub-division. This tax charge, in all cases, will be in addition to the regular charges for electric service.

(2) Gross Receipts Tax: Where a tax is levied on a percentage of gross receipts, that percentage will be applied to each affected Member's bill, and the amounts so computed will be added to each Member's regular billing until such Member's proportionate share of the total tax is paid. The prorata tax applicable to each Member will be identified on the Member's billing as such.

H. RESIDENTIAL BUDGET PAYMENT PLAN:

(1) Availability: The Budget Payment Plan is, by mutual agreement between the Member and the Cooperative, available to any owner that has had 12 months of on time payments.

(2) The Cooperative will determine the monthly budget amount due by averaging the last 12 months of electric charges.

(3) Conditions of Budget Payment Plan: The Member will be entitled to receive electric service under the Budget Payment Plan provided Member will agree:

(a) To pay each monthly installment on or before the due date thereof;

(b) To pay the late payment charge provided in these Rules and Regulations if a bill becomes delinquent;

(c) That failure to pay three monthly installment payments on or before the delinquent date will be cause for termination by the Cooperative of the Budget Payment Plan with respect to Member, in addition to other remedies permitted by these Rules and Regulations;

(d) That if the Budget Payment Plan is terminated, any amount or amounts payable by or due to Member on account of the metered service during the period covered by the plan will be billed or credited to Member at once;

(e) That the estimate will apply only to the premises then occupied by Member and that if such premises are vacated during the period covered by said estimate, the Budget Payment Plan with respect to Member will immediately terminate;

(f) That until terminated by either party, the Budget Payment Plan will be renewed automatically; and

(g) That the Budget Payment Plan may be periodically reviewed by the Cooperative and the monthly installment payment will be revised if it appears at any time on review that the debit or credit balance at the end of the contract period will substantially exceed the estimate.

I. DELINQUENT BILLS:

(1) Bills for electric service will be deemed delinquent if payment thereof is not received by the Cooperative or its authorized agent on or before the date stated on the bill.

(3) When a bill becomes delinquent, a late payment charge in an amount equal to ten percent of the delinquent amount owed will be added to the Member's bill and collection efforts by the Cooperative will be initiated.

(4) If the last calendar day for remittance falls on a day when the Cooperative's office is not open to the general public, the final payment date will be extended through noon of the next business day.

J. ~~Default~~DEFAULT:

Failure of the Member to conform to these Rules and Regulations or to pay any amount due the Cooperative under the Member's Electric Service Agreement in the full amount due before becoming delinquent will constitute a default by the Member in his or her Electric Service Agreement.

SECTION 5 - DISCONNECTION OF SERVICE

A. COOPERATIVE'S REFUSAL OR DISCONNECTION OF SERVICE:

(1) For the following reasons electric service may be refused or discontinued by the Cooperative:

(a) When requested by the Member;

(b) When the service is abandoned;

(c) Upon ten days written notice, when Member's bill for electric service or other charges becomes delinquent, as provided in Section 4.I., whether the bill is based on Cooperative's meter reading, Cooperative's estimate of consumption, other charges for special services, or the transfer of any unpaid account of the Member;

(d) Immediately, when an unsafe or dangerous condition exists on the Member's premises;

(e) Upon ten days written notice, when the Member fails to provide credit information, security deposit or guarantee as set forth in Section 3.A., or has a previous undisputed and unpaid separate account for electric service with the Cooperative;

(f) Upon the quicker of ten days written notice or 48 hours after a personal or phone contact is made with the Member of record, when Member is proved to have misrepresented his or her identity for the purpose of obtaining electric service;

(g) Upon 48 hours written notice, when Member refuses to grant Cooperative personnel access, during normal working hours, to equipment installed upon the premises of the Member for the purpose of inspection, meter reading, maintenance or replacement;

(h) Immediately, when the Member violates any rule of the Cooperative that adversely affects the safety of the Member or other persons, or the integrity of the Cooperative's delivery system; or

(i) Immediately, when Member causes or permits tampering as defined in Section 6.J.

(2) In the event of disconnection or termination of electric service at a separate metering point, residence, or location in accordance with these Rules and Regulations, the Cooperative may transfer any unpaid balance to any other electric Service Account of the Member.

B. POSTPONEMENT OF DISCONNECTION IN SPECIAL CIRCUMSTANCES:

(1) If a Residential Member notifies the Cooperative in writing and establishes that:

(a) Disconnection would be especially dangerous to the health of the Member, resident member of the Member's family, or other permanent resident of the premises where service is rendered; and:

(i) Such Member is unable to pay for such service in accordance with the requirements of the Cooperative's billing, or

(ii) is able to pay for such service only in installments; the Cooperative may either allow payment in reasonable installments or postpone disconnection of service for at least seven days to enable Member to make arrangements for reasonable installment payments.

(2) In determining whether disconnection would be especially dangerous to health, consideration will be given to the weather, and the Member's or any other resident's medical condition, age, or disability, of which the Member will provide verification.

(3) The Member may establish that disconnection of service would be especially dangerous to the health of the Member, resident member of the Member's family, or other permanent resident of the premises where service is rendered by obtaining a statement signed by a physician or public health official verifying that fact and forwarding or presenting it to the Cooperative office prior to the date of disconnection.

C. NOTICE REQUIREMENTS:

(1) When notice of disconnection of service is required it will be forwarded separate from other utility bills, information or advertising, to the account name and address and in the case of residential occupancy, to the address where service is provided, if different; provided however, that the service location has a mailing address which is provided to the Cooperative by the Residential Member. Service of notice by mail is complete upon mailing. The Cooperative will maintain the record of the date of mailing and the effective dates of the notice. The notice will be effective for one month after initial date upon which and after which service can be disconnected. Notice may be given by such other method as may be practical, such as hand-delivery, or facsimile.

(2) The Cooperative will notify, or attempt to notify, Members by telephone at least one day before they are to be disconnected. This notice, which may be delivered by an automatic calling machine, will contain the following information:

(a) a statement that the account is past due;

(b) the date payment must be received to avoid disconnection;

(c) the name and phone number of the office that can be contacted for arrangement or special consideration.

(4) The notice required above will contain the following information:

(a) The name and address of the Member, and the address, if different, where service is rendered;

(b) A clear and concise statement of the reason for the proposed disconnection of service and the cost and conditions for reconnection;

(c) The date after which service can be discontinued unless the Member takes appropriate action;

(d) Terms under which the Member may avoid disconnection;

(e) A statement that disconnection may be postponed or avoided if the Member can demonstrate prior to the date of disconnection that special circumstances prevent complete payment or disconnection of electric service would be especially dangerous to health and the phone number of the office empowered to review such claims.

D. DISCONNECT PROCEDURE:

(1) Except for disconnection pursuant to Section 5 A(1) (a), (b), (d), (h), and (i) the Cooperative will not discontinue service unless:

(a) At the time of the proposed disconnection, for one hour after disconnection and on the full work day following disconnection, the Cooperative office or authorized personnel identified in the notice given are open or available to the Member for the purposes of making pay arrangements, preventing disconnection or obtaining reconnection; and

(b) The Cooperative employee who is to disconnect service is also authorized to accept payment of amounts due for utility charges and thereby either avert disconnection or provide for reconnection.

(c) Disconnection of service will normally be made, if possible, by the computer from the main office.

E. COLD WEATHER RULE:

(1) The provisions of the Cold Weather Rule establish the disconnection procedures for delinquent accounts of any Residential Member of the Cooperative throughout the cold weather period, which extends from November 1 through March 31. The cold weather rule will be applied when the local National Weather Service office forecasts the temperature to drop below 35 degrees (the activating temperature) within the following 24 hour period.

(3) To avoid disconnection during the cold weather period and qualify for the benefits of the Cold Weather Rule the Member must meet the requirements of the Good Faith Test. To meet the requirements of the Good Faith Test, the Member will:

(a) Inform the Cooperative of the Member's inability to pay the bill in full;

(b) Give sufficient information to allow the Cooperative to make a payment agreement;

(c) Enter a level payment plan agreement for past, current and future charges for electric service with arrears paid in equal installments over the next three months. The Member and the Cooperative may negotiate other payment arrangements mutually agreeable, individualized to the Member's situation providing the most appropriate terms, after the Member has been informed that he or she has at least three months in which to pay;

(d) Apply for federal, state, local or other funds for which the Member is eligible;

(e) Not obtain electric service by tampering as defined in Section 6. J.; and

(f) Not default on a payment plan.

(4) When a local National Weather Service forecasts the temperature to be above the activating temperature for the next 24 hours, the Cooperative will fulfill the procedures outlined in this Section 5.

F. RESTORATION OF SERVICE:

(1) Upon the Member's request, the Cooperative will restore service within 24 hours when the cause of disconnection of service has been eliminated, all applicable restoration charges paid, and, if required, satisfactory credit arrangements have been made.

(2) At all times, the Cooperative will make every effort to restore service on the restoration day requested, and in any event, restoration will be made no later than the next business day following the day requested by the Member.

G. REVIEW OF DISPUTES:

(1) When a Member advises the Cooperative, prior to the date of the proposed disconnection of service, that all or any part of the billing as rendered is in dispute or that the Cooperative's reasons for disconnection are factually invalid, the Cooperative will:

(a) Immediately record the date, time, and place the complaint is made;

(b) Postpone disconnection until a full investigation is completed and the dispute is found to be invalid;

(c) Investigate the dispute promptly and completely; and

(d) Attempt to resolve the dispute informally and in a manner mutually satisfactory to both parties.

(2) A Member may advise the Cooperative that a bill is in dispute in any reasonable manner such as by written notice, in person, or by a telephone call directed to the appropriate personnel of the Cooperative.

(3) The Cooperative, in attempting to resolve the dispute in a mutually satisfactory manner, may employ telephone communication, personal meetings, formal or informal hearings, on site visits, or any other technique reasonably conducive to settlement of the dispute.

(4) In the event that a dispute is not resolved to the satisfaction of the Member, after full investigation, and the Cooperative intends to proceed with disconnection, the Cooperative will notify the Member of the date, place, and time at which a hearing will be conducted by the Cooperative for the purpose of determining whether or not service should be disconnected pursuant to these rules and regulations. The Member shall also be notified of the Member's right to be represented by counsel, to call witnesses on the Member's behalf, to present evidence to the presiding agent at such hearing and to make such arguments as the Member feels are appropriate for the purpose of determining whether or not service should be discontinued. The decision of the presiding officer at such hearing shall be announced at the hearing or mailed to the parties at a later date. Whether the decision is announced at the hearing or mailed to the parties at a later date, the decision of the hearing officer shall be reduced to writing and shall be made a part of the records of the Cooperative. Provided proper notice has been given in accordance with these Rules and Regulations and the facts of the case merit disconnection, the Cooperative may then discontinue the service, if it is appropriate under these Rules and Regulations.

H. TRIP, DISCONNECTION, AND RECONNECTION CHARGES:

(1) If collection of an electric service bill is made at the Member's premises, the Cooperative will require a Trip Charge as filed in the Service Fee Rate Schedule.

(2) Except when requested by the Member, if electric service is disconnected for any of the reasons stated in Section 5 A (1) the Cooperative will require a Disconnection Charge as filed in the Service Fees Rate Schedule.

(3) Upon reconnection of electric service, except when disconnected pursuant to Member's request, the Cooperative will require a Reconnection Charge as filed in the Service Fees Rate Schedule.

(4) Unless otherwise specified in the Application and Contract for Membership and Electric Service, in the event a Member orders a disconnection and a reconnection of service at the same premises within a twelve month period, the Cooperative will collect, as a Reconnection Charge, the sum of such minimum bills as would have occurred during the period of disconnection, along with the fee filed in the Service Fees Rate Schedule.

(5) Any Collection, Disconnection, or Reconnection Charges and all other utility charges due will be paid before service is restored. These charges are in addition to any deposit which may be required by the Cooperative before service is restored.

SECTION 6 - MEMBER'S SERVICE OBLIGATIONS

A. MEMBER TO FURNISH RIGHT-OF-WAY:

It is the responsibility of the Member to provide or procure for the Cooperative at Member's expense such rights-of-way (including permission to trim or remove any trees that may interfere with the operation of the Cooperative's facilities) that are satisfactory to the Cooperative, across property owned or otherwise controlled by the Member, for the construction, operation, and maintenance by the Cooperative of its facilities necessary or incidental to the supplying of such electric service. The Member is also responsible for acquiring, from the respective property owners, the necessary rights-of-way to cross adjacent properties if needed.

B. ACCESS TO MEMBER'S PREMISES:

The Member shall give the duly authorized agents and employees of the Cooperative full and free access to the premises of the Member for the purpose of constructing, installing, inspecting, adjusting, repairing, maintaining, replacing, or removing any of the Cooperative's facilities on the premises of the Member, reading meters, or for any purpose incidental to the electric service supplied by the Cooperative.

C. MEMBER'S INSTALLATION:

- (1) Service entrances, switch boxes, service cabinets, switches, fuse blocks, conduit, wiring, connections and other equipment, and the installation thereof for the reception, use, and control of electric energy by the Member shall be of the type approved by the Cooperative and shall meet the requirements of the National Electric Safety Code, the National Electrical Code, and comply with all state and local codes insofar as they apply.
- (2) Any and all wiring, appliances, or equipment required to transform, control, regulate, or utilize beyond the point of delivery the electric service supplied by the Cooperative which are furnished, installed, and maintained by the Member shall be the sole responsibility of the Member.
- (3) The Member agrees to repair and replace when necessary, all wires and appurtenances furnished by the Member for reception and use of electric service in a safe condition and in compliance with the National Electrical Safety Code, the National Electrical Code, and all state and municipal codes insofar as they apply.

D. PROTECTION OF MEMBER'S EQUIPMENT:

(1) The Member shall be responsible for determining whether the Member's installation and all portions thereof, are and will be suitable for operation at the voltage, phase, and other characteristics of the class of service to be supplied by the Cooperative.

(2) The protection of the Member's equipment is the full responsibility of the Member. Any Member desiring protection against interruptions, phase failure, phase reversal, voltage variations, or other temporary irregularities or failure of part or all of the electric service shall, at Member's own expense, furnish on such Member's installation such protective equipment.

E. DANGEROUS OR DISTURBING USES:

The Member shall use the electric service supplied by the Cooperative with due regard to the effect of such use on the Cooperative's electric service to its other Members and on the facilities and equipment of the Cooperative. The Cooperative may refuse to supply electric service or may suspend electric service to a Member, immediately, without notice under Section 5.A.(1), if the Member's installation is in an unsafe or dangerous condition or is so designed or operated as to disturb or adversely affect the safety of the Member or other persons, or the integrity of the Cooperative's delivery system.

F. INSPECTIONS AND RECOMMENDATIONS:

The responsibility of the Member regarding Member's use of the electric service supplied by the Cooperative is not set aside, and the Cooperative shall in no way be liable or responsible, on account of any inspections or recommendations by the Cooperative which are made as a courtesy to the Member or as a protection to the electric service supplied by the Cooperative to its other Members. The Cooperative reserves the right, but assumes no duty, to inspect the Member's installation and facilities for suspected unsafe conditions.

G. DEFECTIVE MEMBER EQUIPMENT:

Defective appliances or fixtures shall be disconnected by Member or Member's agent at once and properly repaired before further use. Defective appliances or fixtures includes those which have been found by tests to be causing interference to radio, television, and like electronic equipment used by others. If electric energy is found to be escaping from any wires or equipment in or about Member's premises, Member shall open the service switch immediately to shut off the flow of electric energy and notify Cooperative at once.

H. CONSTRUCTION OR USES AFFECTING COOPERATIVE'S EQUIPMENT:

(1) Member shall consult with the Cooperative before causing or permitting any construction that will affect any of the Cooperative's service facilities or equipment. Member shall not, without written consent of the Cooperative, enclose any exposed portion of service facilities, use any of the poles, wires, structures, or other facilities of the Cooperative for fastening thereto, support, or any purpose whatsoever, nor shall Member locate anything in such proximity to the aforesaid facilities of the Cooperative as

to cause, or be likely to cause, interference with the supply of electric service, or a dangerous condition. The Member shall be required to reimburse the Cooperative for any costs due to a change in the location of meters, service lines, or other equipment made at the request of Member, or necessitated by the Member's interference with the Cooperative's facilities. The Cooperative reserves the right to remove, immediately and without notice, any unauthorized attachments to its facilities. The Cooperative's equipment will be removed or relocated only by employees, agents, or authorized representatives of the Cooperative. Any infraction of this rule shall be sufficient cause for disconnection of service under Section 5.A(1).

(2) Connection of Electric Generating Power Units to Cooperative's Lines

Any member who plans to install any alternate power source to their home, business, outbuilding, well, garage, etc. must install an approved transfer switch at the point where the member receives power from the cooperative to prevent the back flow of current into the cooperative's lines during an outage, which could electrocute linemen working to restore power, as well as the general public and to prevent damage to the generator when regular electric service has been restored. An application provided by the Cooperative for an alternate power supply must be approved by the Cooperative before installation. The Cooperative reserves the right to discontinue service to any member who fails to notify the Cooperative of the alternate power source and fails to install an approved transfer switch. The Cooperative holds no liability for damage to Member's generating power units due to improper installation of the Member's equipment.

I. PROTECTION OF COOPERATIVE'S PROPERTY:

(1) The Member at all times shall protect the property of the Cooperative on the premises of the Member and shall permit no person other than the employees and agents of the Cooperative and other persons authorized by law to inspect, work on, open or otherwise handle the wires, meters, or other facilities of the Cooperative. Any infraction of this rule shall be considered sufficient cause for disconnection of service immediately, without notice under Section 5.A.(1).

(2) In case of loss or damage to the property of the Cooperative on account of any carelessness, neglect, tampering, or misuse by the Member, any members of Member's family, or Member's agents, servants, or employees, the Member shall reimburse the Cooperative for the cost of any necessary repairs or replacements of such facilities or the value of such facilities.

J. TAMPERING OR FRAUDULENT USE OF COOPERATIVE'S FACILITIES:

(1) The Cooperative may discontinue service to a Member under Section 5.A.(1) and remove its facilities from the Member's premises, in case evidence is found that any portion of the Cooperative's facilities have been tampered with in such manner that the Member may have received unmetered service or in the event evidence of fraudulent use of electric service in any manner, including fraudulent meter reading, is discovered.

(2) In such event, the Cooperative may require the Member to pay all bills, including a bill for such amount of electric service as the Cooperative may estimate, from available information, to have been used but not registered by the Cooperative's meter or otherwise

fraudulently used, and to increase the amount of Member's cash security deposit or surety bond, or other credit arrangement, and pay all damages to Cooperative owned equipment, if any, before electric service is restored. In addition, before service is restored, the Member shall be required to bear all costs incurred by the Cooperative for such protective equipment as, in the judgment of the Cooperative, may be necessary and give satisfactory assurance that such tampering and fraudulent use of electric service will be discontinued.

(3) The existence of tampered connections, meters or devices which operate to cause diversion or fraudulent use of electric service, shall be taken as prima facie evidence of diversion of electric service by Member.

K. INDEMNITY TO COOPERATIVE:

(1) The Member shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs or expense, or loss, damage, or injury or death to persons or property, in any manner directly or indirectly connected with, or growing out of the distribution or use of electric service by the Member at or on the Member's side of the point of delivery.

(2) The Member shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs or expense for trespass, injury to persons, or damage to lawns, trees, shrubs, buildings, or other property that may be caused by reason of or related to installation, maintenance, or replacement of Cooperative's service lines or other necessary appurtenances to serve Member, unless the injury to persons or damage to property has been caused by willful default or negligence on the part of the Cooperative.

L. PARALLEL OPERATION:

No Member shall operate or permit operation of electric generating equipment in parallel with electric service supplied by the Cooperative except as may be permitted under a special Electric Service Agreement. Any infraction of this rule shall be sufficient cause for disconnection under Section 5.A.(1).

M. CHARGES FOR WORK COMPLETED ON MEMBER'S PREMISES:

The Cooperative shall charge for all materials furnished and for all work done on Member's premises beyond the equipment owned and installed by the Cooperative, for trouble calls not occasioned by negligence on the part of the Cooperative, for repair of electric appliances, and any other work or service requested and authorized by Member. The charges shall be based upon Cooperative's existing schedule for such work. The Cooperative will not charge for replacement or repair of equipment furnished and owned by the Cooperative on Member's premises except when repairs or replacement are caused by negligence or misuse by Member or Member's agents.

SECTION 7 – COOPERATIVE’S SERVICE OBLIGATIONS

A. OVERHEAD SERVICE ISNTALLATION:

(1) Installation of Service Wires to Pole. The Cooperative will install overhead service wires from the distribution pole line to a pole located on or adjacent to the Member’s property. The Cooperative will designate the point at which the pole will be located and overhead service wires will be brought to the pole for attachment to the Member’s entrance wires. The pole and the meter equipment thereon shall be furnished in accordance with the Cooperative’s procedures for the installation of meter loops, meter sockets, disconnects, meters, and related appurtenances by the Cooperative. All service entrance wires and appurtenances thereto beyond this point shall be supplied and maintained by the member and shall meet the requirements of the NESC and NEC.

(2) Installation of Service Wires to Building. Under exceptional conditions the Cooperative may elect to install overhead service wires from the distribution pole lines to the exterior of one of the Member’s buildings. The Cooperative will designate the point to which its service wires will be brought on the exterior of the building for attachment to Member’s service entrance wires. Metering equipment attached to the building shall be furnished in accordance with the Cooperative’s procedures for the installation of meter loops, meter sockets, disconnects, meters and related appurtenances by the Cooperative. All service entrance wires and appurtenances thereto beyond this point shall be supplied and maintained by the Member and shall meet the requirements of the NESC and NEC..

B. UNDERGROUND SERVICE INSTALLATION:

Under exceptional conditions the Cooperative may elect to install underground service wires from the distribution pole lines to a point located on or adjacent to the Member’s property or buildings. The Cooperative will designate the point at which the Cooperative’s metering equipment will be made available for connection to the Member’s service entrance wires. Metering equipment located at this point shall be furnished in accordance with the Cooperative’s procedures for the installation of meter loops, meter sockets, disconnects, meters, and related appurtenances by the Cooperative. All service entrance wires and appurtenances thereto beyond this point shall be supplied and maintained by the Member and shall meet the requirements of the NESC and NEC..

C. ENERGIZING BY COOPERATIVE ONLY:

Only authorized Cooperative employees shall be permitted to energize the Cooperative’s facilities. Any infraction of this rule shall be sufficient cause for discontinuance of service under Section 5.A. (1)

D. DELIVERY OF ELECTRIC SERVICE

(1) The obligation of the Cooperative to supply electric service shall be completed by the supplying of such electric service at the Member’s point of delivery. The responsibility of

the Cooperative for the quality of service and operation of its facilities ends at the point of delivery.

(2) The point of delivery at which electric energy is furnished to Member will be the Cooperative's meter on Member's premises, unless otherwise defined by the Member's Electric Service Agreement.

(3) The Cooperative will not be liable for any loss, damage, or injury whatsoever caused by leakage, escape, or loss of electric energy after it has passed the point of delivery, nor for defects in the Member's wiring, appliances, or equipment.

(4) The Cooperative shall be required only to furnish, install, and maintain one connection from its distribution facilities, service conductors from such connection to the Member's point of delivery, and one meter installation to measure such electric service to the Member for each class of service.

(5) The Cooperative shall not be obligated to supply electric service to a Member for a portion of the electrical requirements on the premises of the Member, except pursuant to a special Electric Service Agreement as required in Section 6.L.

E. PROPERTY OF THE COOPERATIVE:

All facilities furnished and installed by the Cooperative on the premises of the Member for the supply of electric service to the Member shall be and remain the exclusive property of the Cooperative. All facilities on the premises of the Member which are or become the property of the Cooperative shall be operated and maintained by and at the expense of the Cooperative, may be replaced by the Cooperative at any time, and may be removed by the Cooperative upon termination of the Member's Electric Service Agreement or upon discontinuance by the Cooperative of electric service to the Member for any reason.

F. CONTINUITY OF SERVICE:

The Cooperative will use reasonable diligence to supply continuous electric service, but does not guarantee the supply of electric service against irregularities or interruptions. In no event shall the Cooperative be liable for damages from irregularities or interruptions of service, caused by, but not limited to, failure of facilities, breakdowns or injury to equipment, extraordinary repairs, an act of God, or public enemy, accidents, labor disturbance, strikes or their equivalent, sabotage, legal process, federal, state, or municipal interferences and restraint by public authority, any emergency, or any cause beyond the Cooperative's control.

G. CURTAILMENT, INTERRUPTION OR SUSPENSION OF SERVICE:

The Cooperative shall have the right to curtail (including voltage reduction), interrupt, or suspend electric service to the Member as may be necessary for the inspection, maintenance, alteration, change, replacement or repair of electric facilities, or for the preservation or restoration of its system operations or of operations on the part of the

interconnected electric systems of which the Cooperative's system is a part or as directed by any federal, state, or municipal authority.

H. RESTORATION OF SERVICE:

(1) In all cases of curtailment, irregularity, interruption, or suspension of service, the Cooperative will make every reasonable effort to restore service without unnecessary delay. Labor disturbances affecting the Cooperative or involving employees of the Cooperative may be resolved by the Cooperative at its sole discretion.

(2) The Cooperative shall not be considered in default of the Electric Service Agreement with Member, and shall not otherwise be liable for any damage occasioned by any curtailment, irregularity, interruption, or suspension of electric service. The member shall not be relieved from charges provided for in the Electric Service Agreement and Rate Schedules because of curtailment, irregularity, interruption, or suspension of electric service.

I. LIABILITY OF COOPERATIVE:

The Cooperative shall not be considered in default of the Electric Service Agreement and shall not otherwise be liable on account of any failure by the Cooperative to perform any obligation if prevented from fulfilling such obligation by reason of any delivery delay, breakdown or failure of or damage to facilities, an electric disturbance originating on or transmitted through electrical systems with which the Cooperative's system is interconnected, act of God or public enemy, strike, or other labor disturbance involving the Cooperative or the Member, civil, military, or governmental authority, or any cause beyond the control of the Cooperative.

SECTION 8-LINE EXTENSION

A. ~~Residential Single-Phase Extensions~~ RESIDENTIAL SINGLE-PHASE SERVICE EXTENSIONS

Residential Single-phase service extensions will be constructed in the certificated area of the Cooperative, to any person making application and contracting for electric service. The Cooperative will build the first and last (1/8) mile of single-phase line per consumer under its established rates and minimum charges. The applicant will be required to pay the estimated construction costs, prior to construction, to serve as an advance payment against which bills for electric service will be charged until the amount of the advance payment is offset. No refund will be made of advance payments and any amount paid and not offset by service charges will be forfeited to the Cooperative as liquidated damages. For any line extension exceeding (1/4) mile per consumer, the consumer will be required to pay the estimated costs, prior to construction, which will not be refundable. (Single phase church service will be treated as a residential service.)

For residential single phase service extensions the cost of the transformer, meter loop and meter are included in the estimated construction cost.

B. ~~Non-Residential Single Phase Service Extensions~~ NON-RESIDENTIAL SINGLE PHASE SERVICE EXTENSIONS

In the case of non-residential single phase service extensions, any multiphase line extensions or conversions of an existing line to furnish service to any customer, no matter what the line length; the customer will make payment of construction costs before work begins. This cost payment is for the Cooperative's investment in the facilities to provide service and is not refundable. As evidence of the acceptance of service under these conditions, the consumer will be required to sign an electric service agreement.

For non-residential single phases service extensions, any multiphase line extensions or conversions the cost of the transformer, meter loop and meter will be included in the estimated construction cost.

C. ~~Other Extensions~~ OTHER EXTENSIONS

If only for the benefit of the applicant, all estimated construction costs (including transformer(s), meter loop and meter) must be paid before service is provided. There will be no refund of advance payments and no credit against advance payments through electric service usage. Monthly billing will apply until the service is cancelled.

SECTION 9 - METERING

A. METERING OF SERVICE:

Cooperative will maintain and install at its expense, all metering installations in accordance with the Cooperative's procedures for the installation of meter loops, meter sockets, disconnects, meters, and related appurtenances. New services will be handled as described in Section 8.

B. SEPARATE METERING:

Where Cooperative's Rate Schedules provide for separate metering of different classes of service, Member's wiring shall be so arranged that each class of service can be metered separately. Not more than one set of service wires will be run to one building or premises for each class of service furnished to the Member.

C. MULTI-METERING INSTALLATIONS:

The Cooperative will not provide electric service to more than one Member in a Multiple Residential Complex through a single metering point. Separate applications for electric service will be made and separate meters installed for each dwelling unit within a Multiple Residential Complex. Member's wiring shall be so arranged as to permit the installation of Cooperative's meters immediately adjacent to each other.

D. CHANGES IN METER INSTALLATIONS:

(1) Cooperative will, at its expense, make all changes in Cooperative's installed meter loops, meter sockets, disconnects, meters, and related appurtenances on Member's premises that are required to meet the Member's increased demand for electric service, as determined by the cooperative.

(2) Changes requested by the Cooperative that involve the replacement or relocation of Cooperative's service wires, metering equipment, yard poles, etc., and in the Member's entrance wires, entrance switches, etc., shall be provided at the Cooperative's expense.

(3) Changes requested by the Member that involve the replacement or relocation of Cooperative's service wires, metering equipment, yard poles, guys and anchors, etc., shall be provided at the Member's expense.

E. METER SEALS:

Seals will be placed on all meters or meter enclosures by Cooperative and such seals shall not be broken or disturbed by anyone other than authorized representatives of the Cooperative.

F. METER ACCURACY AND TESTING:

(1) The accuracy and testing of Cooperative's meters shall be in accordance with these Rules and Regulations.

(2) Whenever any test by the Cooperative of a watt-hour meter, while in service or on its removal from service, shall show such meter to have an average error of more than two percent fast or two percent slow, the following provisions for the adjustment of the electric service bill shall be observed:

(a) The error found shall be considered for the purpose of these rules to have existed for not more than six months preceding the test or for the time the meter has been in service at the location if less than six months, or from the actual time the meter became damaged if such time can be positively determined and is less than six months prior to the time of the test.

(b) If the meter is found to be faster than allowable, the Cooperative shall refund to the Member concerned any overcharge caused thereby during the period of inaccuracy of the meter as defined above. The actual error of the meter and not the difference between the allowable error and the error of the meter as found shall be used as the basis for calculating the refund.

(c) If the meter is found to under-register, the Cooperative may render a bill to the Member concerned for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as defined in the preceding paragraphs. Such action may be taken, however, only in cases where the bill for estimated inaccuracy amounts to one dollar or more, and all such bills shall be conditional upon the Cooperative's not being at fault for allowing the inaccurate meter to remain in service.

G. DEMAND METERS:

Whenever any tests by the Cooperative of a demand meter while in service or on its removal from service, shows such meter to be more than two percent in error, the provisions covering the adjustment of charges in the case of service watt-hour meters shall be observed insofar as they are applicable. If the demand meter depends upon actuations from the watt-hour meter or its readings, the average error of the demand meter shall be determined from the heavy load accuracy of the watt-hour meter in conjunction with the accuracy of the demand meter itself.

H. SPECIAL METER TESTS:

In the event a Member requests the Cooperative to test a meter, the Member shall deposit with the Cooperative a meter test fee as filed in the Service Fees Rate Schedule. If the meter is found to be within the accuracy limits established, as referred to in paragraph F.(1) of this Section, the entire meter test fee will be retained in order to help defray the Cooperative's expense in testing the meter. In all other cases, the meter test fee shall be refunded to the Member.

SECTION 10 - GENERAL CLAUSES

A. WAIVER:

Waiver by the Cooperative with respect to any default by a Member in complying with the provisions of the Electric Service Agreement and these Rules and Regulations shall not be deemed to be a waiver with respect to any other or subsequent default by such Member.

B. LEGAL NOTICES BETWEEN MEMBER AND COOPERATIVE:

All notices addressed to the Cooperative shall be in writing and no telephone communication shall be considered as proper notice unless otherwise specifically provided for in these Rules and Regulations. If oral orders are taken in person or over a telephone by an agent of the Cooperative, it is done for the convenience of the Member and at Member's risk. The Cooperative is not responsible for error, delay, or expense resulting from such procedure, but the Cooperative shall exercise reasonable diligence in carrying out telephone communications from the member.

C. AUTHORITY AND WAIVER:

The requirements contained in these Rules and Regulations may be waived in individual cases by the Board of Directors of the Cooperative upon written request by the Member and a showing that compliance with the requirement would serve the interests of neither the Cooperative nor the Member. No representative, agent, or employee of the Cooperative shall otherwise have the authority to amend, modify, alter, or waive any of Cooperative's Rules and Regulations or bind the Cooperative by promises or representations.

D. REQUEST FOR INVESTIGATION OR COMPLAINT:

If Member feels that service is not adequate and sufficient, the Cooperative should first be advised, as soon as possible, in writing, of the nature of the complaint so that the proper investigation may be conducted. An investigation of the complaint will be made by the Board of Directors or its authorized representative. The Board will then schedule a hearing at which the Member may appear either in person or through counsel to explain the nature of the Member's complaint to the Board of Directors. The Board of Directors will then consider what, if any, action should be taken on the Member's complaint.

Approved by the Board of Directors

Version 1.1 Date: May 24, 2010 Attested: _____

SERVICE FEES SCHEDULE

The following fees and charges shall be collected by the Cooperative in accordance with the provisions of the Rules and Regulations.

1. RETURNED CHECK CHARGE	\$30.00
2. TRIP CHARGE	\$30.00
3. RECONNECTION CHARGE	\$30.00
4. AFTER HOURS RECONNECTION CHARGE	\$125.00
5. RECONNECTION CHARGE FOR INACTIVE SERVICE	\$75.00
6. METER TEST FEE	\$150.00