



THE FLINT HILLS RURAL ELECTRIC
COOPERATIVE ASSN., INC.

RULES AND REGULATIONS

ATTESTED JUNE 17, 2024

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PREFACE

These Rules and Regulations are part of the Electric Service Agreement between the Cooperative and the Member. They are subject to change from time to time, and upon approval with the Cooperative Board of Trustees become effective and binding as a matter of law without any further notice. There is intended to be no inconsistency between these Rules and Regulations and more specific provisions in the Rate Schedules. If there should appear to be any such inconsistency, the more specific provisions in the Rate Schedules shall prevail.

Section 1: DEFINITIONS

In addition to the usual meaning, all words or terms used in these Rules and Regulations, in Cooperative Policies, in Rate Schedules, in Electric Service Agreements, and in other agreements and documents, are intended to have the meanings regularly ascribed to them by the electric industry. The following terms, unless otherwise indicated therein, shall have the specific meanings given below:

- A. **COOPERATIVE:** THE FLINT HILLS RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC., Box B, Council Grove, KS 66846 - Phone (620) 767-5144, 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. In all Cooperative documents and agreements, Member is considered to be synonymous with customer, consumer, and member/consumer.
- 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. **ELECTRIC SERVICE AGREEMENT:** The application, agreement, or 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 the renovation costs exceed fifty percent (50%) or more of the value of the building or structure. The term does not include: (a) operations catering predominately to transients such as hotels, motels, hospitals, rooming or boarding houses, recreational travel trailer parks, dormitories, rest homes, orphanages, and eleemosynary institutions or; (b) buildings and structures used essentially for general office, commercial, or industrial purposes.

Section 2: APPLICATION FOR SERVICE AGREEMENTS

A. APPLICATION BY MEMBER

Application for electric service will be made in writing by Member to Cooperative on the Cooperative's Standard Agreement for Electric Service and Membership form(s), although the Member may at the discretion of the Cooperative be connected based on an oral request provided the written agreement is signed within ten days thereafter. 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 Electric Service Agreement 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 Trustees, 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. 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 the 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 (1) year, five (5) years for new construction, 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 those listed above 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

- A. Additional Charge: 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 according to Section 8.A.1.
- B. A security deposit or deposits, if required and in accordance with Cooperative 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 prior to the date of change. The Cooperative shall have up to seven (7) days to process any transfer, disconnect, or reconnect request. If the connect or disconnect request is oral, a record, labeled in such a way as to enhance retrieval and utilizing the Cooperative employee's name or code, should be made of the request. The record should be retained for at least four months. The outgoing Member will be held responsible for payment of all electric energy recorded by the meter until the requested time of termination, or such time that an incoming Member's Electric Service Agreement is accepted in writing by the Cooperative. 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 REDISTRIBUTING 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) The Member may be required to provide reasonable credit information to the Cooperative before service is made available.
- 2) The Cooperative may request specific credit information as provided by law to determine credit rating/history of Member.
- 3) 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 shall have seven days to secure positive identification.
- 4) Security Deposit Required: The Cooperative may, at the time of Application for service, require a security deposit to guarantee payment of bills for electric service rendered if:
 - a) The Cooperative establishes that the Member has an unsatisfactory (greater than a 10% delinquent risk) credit rating, or has an insufficient prior credit history upon which a credit rating may be based, or
 - b) The Member has outstanding, with any utility, an undisputed and unpaid service account which accrued within the last five (5) years, or
 - c) The Member has, in an unauthorized manner, interfered with, or diverted or used (meter bypass), the service of any utility within the last five (5) years, or
 - d) The Member requests a Pre Pay account, a deposit in the amount of twenty-five dollars(\$25) will be required before service activation.
- 5) The Cooperative may at any time after application for service, upon five (5) days written notice, require a deposit to guarantee payment of bills for utility service rendered if:
 - a) The Member's credit rating/standing has changed (i.e. Bankruptcy, non-sufficient funds check or draft), or
 - b) The Member has, in an unauthorized manner, interfered with, or diverted or used (meter bypass), the service of the Cooperative within the last five (5) years, or
 - c) The Member fails to pay an undisputed bill before the delinquency date for three (3) billing periods in any 12-month period or
 - d) The Member fails to pay an undisputed bill within two (2) weeks following the delinquency date of the bill.
- 6) 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.
- 7) Guaranty or Surety Bond: In lieu of requiring a security deposit less than \$600.00, the Cooperative may accept the written guarantee of any of its Residential Members with no deposit on file or may accept the written guarantee of a responsible party as surety for a Member's Electric Service Agreement. The Cooperative may require the Guarantor to sign an agreement allowing the Cooperative to transfer the Member's debt to the Guarantor's account. In the event the Member's debt is transferred to the Guarantor's account, the Member will have the same time to pay the deposit as a new Member and can be disconnected for nonpayment under conditions set out in Cooperative Rules and Regulations. The Cooperative will not hold any Guarantor liable for sums in excess of the maximum amount of the required cash security deposit. The Guarantor of a Residential Member will be released under the same conditions as a security deposit.

- 8) If the security deposit is not received by the cooperative within 10 days of request by cooperative, service may be disconnected until the deposit and any other fees are paid in full.

B. CALCULATION AND PAYMENT OF SECURITY DEPOSIT OR SURETY BOND

- 1) For Residential Members, the amount of the cash security deposit or surety bond required will be 2 ½ times the average of the two (2) highest billings during the prior 24-month period, or \$240.00, whichever is greater. The amount of deposit may be reduced based on the Member's potential risk factor scored from recent credit report, or other credit experience with the Cooperative, but not less than the minimum of \$240.00. In cases where sufficient billing information is not available for a specific service point a reasonable estimate of billing, as determined by the Cooperative, may be used. A minimum of \$240.00 of the total security deposit must be paid at the time of application. At the discretion of the Cooperative, any remaining balance will be paid by the "New" Member over a time period of not more than four (4) months and existing Members not more than twelve (12) months.
- 2) For Commercial Members, the amount of the cash security deposit or surety bond required will be equal to the two (2) highest billings during the prior 24-month period, or \$500, whichever is greater. In cases where sufficient billing information is not available for a specific service point, a reasonable estimate of billing as determined by the Cooperative may be used.
- 3) For Members not listed in item 1 or 2 above, the deposit shall not exceed 2 ½ times the average of the two (2) highest billings during the prior 24-month period.
- 4) The amount of the cash security deposit or surety bond may be adjusted if the character or volume of the Member's service should change.
- 5) If the Member has been documented to be diverting service (meter bypass) the amount of the cash security deposit or surety bond required shall be twice (double) the amount set out above for the classification.
- 6) Interest on Deposits--All deposits shall accrue interest at statutory rate.

C. REFUND OR TRANSFER OF SECURITY DEPOSIT AND INTEREST

- 1) Refund of Security Deposits--Upon disconnection of service or change of occupancy at a given premise, all deposits including applicable earned interest shall be applied against all service bills and monies owed to Flint Hills RECA then outstanding. Any excess thereof that exceeds three dollars (\$3.00), shall be refunded and any amount due shall be processed for collection in the most expeditious manner through whatever channels are available. If the total refund amount is less than three dollars (\$3.00), a check will be written only at Member's request.
- 2) Payment of Accrued Interest--Upon demand but no more frequently than once each calendar year, interest will either be paid in cash to the respective member or applied as a credit against electric service bill for the month succeeding the request; otherwise interest will be accrued for the calendar year and applied at least one time each calendar year.
- 3) After one year of service, if the residential Member has no more than (2) two delinquent bills in any 12-month period, the cooperative will apply the deposit and interest to the next monthly billing. However, Pre Pay account deposits and deposits of \$600.00 or greater may be retained, at the discretion of the Cooperative, until termination of service.
- 4) Security deposits will be non-transferable from one Member to another, unless written authorization is received; 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.

D. MAINTENANCE OF DEPOSIT RECORDS

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.

E. SECURITY DEPOSIT NOT A WAIVER

The fact that a security deposit or guarantee 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 sums due the Cooperative for service rendered.

Section 4: BILL PAYMENT

A. DUE DATE OF BILLS

All electric service bills are due and payable as of the date the bill is mailed or otherwise made available to the Member. 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. Bills for electric service will be deemed delinquent if payment thereof is not received by the Cooperative or its authorized agent(s) on or before the eighteenth (18th) day of the month. If the eighteenth (18th) day of the month falls on a day when the Cooperative's office is not open to the public, the final payment date will be extended through the next business day.

B. CONTENTS OF BILL

- 1) The Cooperative will bill each Member each billing period in accordance with its applicable Rate Schedule(s). Billings may be issued on a monthly, daily, or other basis at the sole discretion of the Board of Trustees. Each service bill issued to a Member will show:
 - a) The beginning and ending meter registration for the reading period,
 - b) The date of the meter reading(s);
 - c) The actual or estimated usage during the billing period;
 - d) The applicable rate schedule and amount billed under the applicable rate schedule
 - e) The fuel, power or energy cost adjustment amount due, if applicable
 - f) the amount of additional charges due for past due accounts, security deposits, collection, connection or disconnection, installment payments, and other utility charges authorized by the Board of Trustees;
 - g) The amount of franchise, sales taxes, research and development surcharges stated separately;
 - h) The total amount due for the current billing period
 - i) The final date by which a payment can be received before a delinquency charge is imposed;
 - j) The amount due for prompt payment and the amount due after delinquency in payment;
 - k) The mailing address, telephone number of the Cooperative and the office address 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, insulation 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, and (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, the Member will be given either a credit on subsequent bills or a refund, if the overpayment exceeds ten dollars (\$10) and a refund is requested.

C. METER READING

- 1) Meters shall be read at regular intervals for the purpose of computing service bills. In addition, meters may be read at more frequent intervals for the purpose of providing additional data for the member and Cooperative personnel and consultants. Additional data may include, but not be limited to, kWh usage, KW demand, KVAR, and power quality data such as voltage and blink counts.
- 2) Every reasonable effort will be made to obtain a valid reading as close to the end of the billing interval as possible. However, readings for the billing period may be considered valid when a valid meter reading is obtained during the final one-third (1/3) of the billing period.

D. ESTIMATED METER READINGS

When an actual meter reading cannot be obtained close to the end of the billing interval electrical usage may be estimated using historical information as a basis until better information becomes available. Acceptable methods of estimation may include:

- 1) Usage patterns from the most recent three months,
- 2) Usage patterns from the same period one year earlier,
- 3) Usage patterns with similar weather conditions when it can be determined that weather conditions help define member's usage patterns,
- 4) Other known events that typically have an impact on usage patterns, such as a residence becoming occupied or unoccupied during the period of estimated usage.
- 5) Prorating estimated electrical usage. When a valid meter reading is received, usage between the current valid reading and the last previous valid reading shall be prorated equally between the months within such period and each month's bill shall be calculated under the appropriate rate schedule. The re-calculated bills within such period shall be totaled and due credit allowed for all payments received from the respective member applied to such total. An Adjusting bill, either debit or credit, will be prepared showing the true status of the account as of the date of the adjusting bill.
- 6) Notification shall be given to member when the period of estimated use exceeds one month in duration or an amount exceeding a typical month of electrical use.
- 7) When it is necessary to estimate member usage for any of the above, duration of estimate shall not extend farther back than six (6) months.

E. FAULTY METER REGISTRATIONS

Similar procedures to part "N" above will be followed in cases where the meter registrations are known to be faulty or the meter is stopped, except that the faulty meter will be removed and replaced with one in good working order. Only that period during which the faulty registrations occurred will be considered in estimating the bill for that period, using the three previous consecutive months compared to the corresponding month of the previous year.

F. FAULTY INSTRUMENT TRANSFORMERS

When and where it is determined that instrument transformers, current or potential, used in instrument metering of certain accounts, become faulty through loose connections or interruptions in the instrument metering circuits, meter registrations will be adjusted in proportion to that part which is determined to be faulty and bill for the period calculated in accord with such adjustment.

G. PAYMENT BY CREDIT CARD

Payment will be accepted for any residential class Member by MasterCard or Visa. All other accounts (GSS, GSS-LM, GSL, GSL-LM, GSL-LMR, IFS, PPS) shall be excluded from credit card payment due to the associated costs, which were not factored into the billing and collection expenses when the retail rates were developed.

H. RETURNED CHECK CHARGES

- 1) PROCEDURES--The following procedures will be adhered to on all returned checks:

- a) The maker of such check shall be charged a service charge as specified in the Cooperative's "Service Fees Rate Schedule" to cover a portion of the added costs involved in processing.
- b) Checks in Payment of Electric Service Bills—Except as specified in item "i" below, if returned check has been given in payment of electric service bills, or any portion of such check is for this purpose, the amount of the check and all applicable service charges shall be subject to immediate collection or service discontinued if payment is not received within seven (7) days of the date of the mailed notice, or other written form of notice that has been requested by member as means of billing communications. Such notice shall include the amount a member must pay and date the payment must be received by to avoid disconnection of service.
- c) Should the Member desire to pay the amount of the check plus applicable service charges, payment shall be cash, money order, certified check, credit/debit card or other currency immediately negotiable as cash.
- d) If unable to collect the amount of returned check, although service is disconnected for due cause, steps will be taken through legal channels, even to the point of filing criminal charges, in an attempt to secure payment of same.
- e) Service Charges--In addition to the initial returned check charge, all trips to premises to collect same or disconnection of service shall be subject to established service charges.
- f) Disconnection of Service--Should it be necessary to disconnect electric service due to nonpayment of returned check, such service will not be restored until all amounts outstanding as of the date of such disconnection, including the returned check and all applicable service charges, have been paid in acceptable tender. Where it is deemed necessary, additional surety deposit must also be paid prior to restoration of service.
- g) Cash Basis--Three or more returned checks from the same party over a period of twelve (12) consecutive months shall constitute sufficient grounds to place said member on a "Cash Basis," wherein all future payments, after due notice, shall be cash, money order, certified check, credit/debit card or other currency immediately negotiable as cash.

A "Cash Basis" member may, at the option of the Cooperative, be removed from the "Cash Basis" conditions after one year, contingent upon his/her diligence to avoid having checks returned from the bank with payment thereof refused.
- h) Prepay Metering Accounts--Return checks made for payment on prepay metering accounts shall be subject to the terms and conditions of the "Prepay Metering" tariff except that if the reversal of the payment on the returned check and/or the cost of the returned check charge causes the account to no longer carry a credit balance then account shall be subject to disconnection of electric service. Such notice may be by email, phone or in the same form that Member normally receives account balance information from the Cooperative.
- i) Checks in Payment of Other Goods and Services--Similar procedures will be followed on checks returned which are offered in payment of charges or invoices for other goods and services, other than electric service, except that electric service cannot be disconnected because of such.

I. 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 pro rata 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 pro rata tax applicable to each Member will be identified on the Member's billing as such.

J. RESIDENTIAL BUDGET PAYMENT PLAN:

- 1) Availability: The Budget Payment Plan is, by mutual agreement, between the Member and the Cooperative, available to any qualifying Town, Village or Rural Residential Member.
- 2) Estimated Bills: At the request of any qualifying Member, the Cooperative will submit an estimated bill based on the average of the bills rendered for the current month and the preceding eleven (11) months or an estimated bill for electric service to be rendered during the contract period, which divided by the number of months in such contract period, will be the monthly installment.
- 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 any monthly installment 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 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;
 - e) 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;
 - f) That until terminated by either party, the Budget Payment Plan will be renewed automatically;
 - 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; and
 - h) That the difference between the accumulated total amount of the Member's billings determined by metered usage, and the accumulated total of the amounts paid before the final month of the contract period will be charged or credited, as the case may be, to the service bill for the final month of such contract period which will be subject to current settlement before the start of the next contract period.

K. DELINQUENT NOTICES

Each account classified as delinquent shall be notified as soon as possible after the account is so classified. Such notices shall specify that if the amount due thereon remains unpaid ten (10) days from the date such notice is mailed, account will be subject to immediate collection or disconnection of service due to failure to pay within the specified time limit.

L. DISCONNECTION FOR NONPAYMENT

Disconnection procedures shall be handled in a manner consistent with Cooperative Rules and Regulations pertaining thereto. In the event service is disconnected to any member due to nonpayment of electric service bills, it will not be restored until all the following have been paid or satisfactory arrangements made to pay same within a reasonable period of time:

- 1) All amounts due for electric service to and including date of disconnection.
- 2) All applicable service charges assessed under Cooperative's tariffs and policies involved in the processing, collecting and restoration of service.
- 3) And, if deemed to be required or advisable, an additional deposit, as surety against possible future delinquencies.

M. SERVICE CHARGES AND PENALTIES IN CONNECTION WITH DELINQUENT SERVICE BILLS

All service charges and/or penalty charges in connection with the application of these Rules and Regulations incurred by reason of delinquencies of electric service bills shall have the same status as the original bill for

service furnished. Failure to pay same, within the time limit specified, shall be governed by the same procedures as electric service bills, even to the point of collection or disconnection of service for such nonpayment, and the possible incurrence of additional service charges and/or deposits.

N. PENALTY CHARGES

Penalty charges (forfeited discounts) are not to be classified as interest. All such penalty charges shall be assessed in accord with terms and conditions as specified in the applicable rate schedule and Rules and Regulations and are subject to the same terms and conditions as the original bill.

When a bill becomes delinquent, a late payment charge of an amount equal to ten percent (10%) of the delinquent amount owed for current electric service will be added to the Member's bill and collection efforts by the Cooperative will be initiated.

Bills are to be rendered with "gross" and "net" amounts due. "Net" amount is applicable only to those accounts on which payment is received before the delinquent date and is considered as being current. "Gross" bill, which includes applicable penalty charges, applies to all the amount due after the delinquent dates, unless otherwise exempted from such charges.

O. ADJUSTMENTS TO ELECTRIC SERVICE BILLS

All adjustments to electric service bills shall be made in accord with terms and conditions of rate schedule under which service is rendered and Rules and Regulations pertaining thereto as approved by the Board of Trustees. No employee, member of the Board of Trustees, or the Board of Trustees as a body, shall make any adjustments in conflict with such terms and conditions, rules and regulations or the tariff under which service is rendered.

- 1) Fuel, power, or energy cost adjustments covering more than a single billing period will be based on the corresponding rate adjustment clause then in effect.
- 2) Errors in the calculation of electrical use, such as using the wrong meter multiplier, shall cause member usage to be recalculated and billed accordingly and shall be limited to the most recent twelve months.
- 3) Adjusted bills shall have the same status and be governed by the same terms, conditions, rules and regulations, including collection policies, as regular bills.

P. 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/her Electric Service Agreement.

Section 5: DISCONTINUANCE OF SERVICE

A. COOPERATIVE'S REFUSAL OR DISCONTINUANCE OF SERVICE

- 1) For the following reasons electric service may be refused or discontinued by the Cooperative:
 - a) When requested by the Member;
 - b) Upon ten (10) days written notice, when Member's bill for electric service or other charges becomes delinquent, as provided in Cooperative Rules and Regulations pertaining thereto, whether the bill is based on Cooperative's meter reading or Cooperative's estimate of consumption;
 - c) Immediately, when an unsafe or dangerous condition exists on the Member's premises;
 - d) Upon ten (10) days written notice for monthly billing and three (3) days for prepay billing, when the Member fails to provide signed service agreement, or credit information, security deposit or guarantee as set forth in Cooperative Rules and

- Regulations pertaining there to, or has a previous undisputed and unpaid separate account for electric service with the Cooperative;
 - e) Upon the quicker of ten (10) 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/her identity for the purpose of obtaining electric service;
 - f) 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;
 - g) 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
 - h) Immediately, when Member causes or permits unauthorized interference with, or diversion of use of (meter bypass), Cooperative's service situated on or about the Member's premises.
 - i) Upon proper notice as specified in Cooperative's Rules and Regulations pertaining to returned checks procedures.
- 2) None of the following reasons will constitute sufficient cause for the Cooperative to threaten or discontinue electric service or threaten or refuse service:
- a) The Member's failure to pay a bill which is in dispute; provided, however, that the Member pays that portion of the bill not in dispute;
 - b) An individual or a Member has an outstanding debt more than five (5) years old if the Service Agreement was signed and three (3) years if the agreement was oral;
 - c) Because an individual who neither signed the Service Agreement on an account in arrears, nor agreed orally at the time service was established to be responsible for it, wants to put the account in his/her name. The only exception to this is when the individual and the Member of record lived together when the debt was incurred and continue to live together.
- 3) In the event of discontinuance or termination of electric service at a separate metering point, residence, or location in accordance with Cooperative Rules and Regulations pertaining thereto the Cooperative may transfer any unpaid balance to any other electric Service Account that the Member has or had with the Cooperative.

B. POSTPONEMENT OF DISCONTINUANCE IN SPECIAL CIRCUMSTANCES

- 1) If a Residential Member notifies the Cooperative in writing and establishes that:
- a) Discontinuance 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
 - b) (1) Such Member is unable to pay for such service in accordance with the requirements of the Cooperative's billing, or (2) is able to pay for such service only in installments.
- The Cooperative may either allow payment in reasonable installments or postpone discontinuance of service for at least twenty-one (21) days to enable Member to make arrangements for reasonable installment payments.
- 2) The Member may establish that discontinuance 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. In determining whether discontinuance would be especially dangerous to health, consideration will be given to the weather, and the Member's or other resident's medical condition, age, or disability, of which the Member will provide verification.
- 3) Where the seriously ill person shall not be under treatment on the premises, service will be subject to disconnect due to nonpayment of delinquent electric service bills unless satisfactory arrangements are made with the Cooperative to defer payment.

C. NOTICE REQUIREMENTS

- 1) When notice of discontinuance of service is required it will be forwarded separate from other utility bills, or stated on Member's regular utility bill, 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 written 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 (1) month after the 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, facsimile, email, or other means as provided by member.
- 2) The Cooperative will notify, or attempt to notify, Members by telephone at least two (2) days before they are to be disconnected.
- 3) The notices required by this Section will contain the following information:
 - a) The name and address of the Member;
 - b) A clear and concise statement of the reason for the proposed discontinuance 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 discontinuance;
 - f) The address and telephone number of personnel empowered to review disputed bills, rectify errors, and to prevent or postpone disconnection of electric service.

D. DISCONNECTION PROCEDURE

Disconnection procedures shall be handled in a manner consistent with Cooperative Rules and Regulations pertaining thereto. The member can avoid disconnection by bringing his/her electric bill current to the scheduled disconnect time.

- 1) Except for discontinuance pursuant Section 5-A-1 (a), (c), (g) and (h) the Cooperative will not discontinue service unless:
 - a) At the time of the proposed discontinuance, for one hour after discontinuance and on the full work day following discontinuance, 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 discontinuance 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.

E. RESTORATION OF SERVICE

- 1) Upon the Member's request, the Cooperative will restore service promptly when the cause of discontinuance 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.

F. REVIEW OF DISPUTES

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

- a) Immediately record the date, time, and place the complaint is made;
 - b) Postpone discontinuance of service, provided that all delinquent and undisputed portions of the bill are paid, 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 discontinuance, the Cooperative may, provided proper notice has been given in accordance with Cooperative Rules and Regulations and the facts of the case merit disconnection, then discontinue the service.

G. COLLECTION, DISCONNECTION, AND RECONNECTION CHARGES

- 1) If collection of an electric service bill is made at the Member's premises, the Cooperative will require a Collection 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 Electric Service Agreement, in the event a Member orders a disconnection and a reconnection of service at the same premises within the contract period, the Cooperative will collect, as a Reconnection Charge, the sum of such minimum bills as would have occurred during the period of disconnection, but in no event less than the Reconnection Charge 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.
- 6) When Member requests reconnection of electric service outside of normal business hours and outside the time period allowed for in Section 5 G (4) above Member's reconnection charge shall be calculated in a manner consistent with Cooperative's actual cost of reconnection including labor and transportation costs.

H. PREPAY METERING TARIFF

When Member chooses to participate in the Prepay Metering Tariff such provisions in the Prepay Tariff and The supplemental Prepaid Service Agreement shall override any portions of the Rules and Regulations where such provisions are defined in the Prepay Tariff and Supplemental Prepaid Service Agreement and are in conflict with the Rules and Regulations.

I. COLD WEATHER RULE

The Cooperative will not disconnect a qualified member's residential service when the National Weather Service office forecasts the temperature will drop below 35 degrees in the 24-hour period following the time of disconnection unless it is:

- 1) At the Member's request,
- 2) The service appears abandoned,
- 3) A dangerous condition exists on the Member's premise,
- 4) The Member violates any rule of the Cooperative which adversely affects the safety of the Member or other persons, or the physical integrity of the Cooperative's delivery system, or

- 5) The Member causes or permits unauthorized interference of electric service situated or delivered on or about the Member's premises.

Section 6: MEMBER'S SERVICE OBLIGATIONS

A. MEMBER TO FURNISH RIGHT-OF-WAY

The Member will provide or procure for the Cooperative at his/her expense such rights-of-way (including permission to trim or remove any trees that may interfere with the operation of the Cooperative's facilities) as 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.

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 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 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 his/her 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 his/her 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 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 a 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

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 discontinuance of service under Section 5.A.(1).

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 or 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 discontinuance 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 his/her family, or his/her 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 his/her 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 discontinuance 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 the Cooperative's existing schedule for such work. The Cooperative will not charge for the 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 INSTALLATION:

- 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 poles 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 receptacles, 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.
- 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 receptacles, meters, and related appurtenances, by the Cooperative. All service wires and appurtenances thereto beyond this point shall be supplied and maintained by the Member.

B. UNDERGROUND SERVICE INSTALLATION:

- 1) The Cooperative shall determine those areas where underground electric facilities shall be furnished.
- 2) A Member desiring existing overhead electric facilities to be replaced by underground facilities shall pay for the total cost of the conversion and underground facilities less material salvage, if any.

- 3) If Member desires underground electric facilities where the Cooperative has determined that overhead facilities should be used, the Cooperative will provide the metering installation on a pole, as close to the point of load as allowed by the NESC, to new installations either permanent or temporary. The Member may enter the dwelling (or other structure) either overhead or underground at his/her own expense. The Member shall have installed, at the Member's expense, a fused disconnect to be installed under the Cooperative's meter.
- 4) Any Member desiring underground service from the Cooperative's meter shall furnish and install, at his/her own expense, the necessary conduit, master breaker, or main fuse disconnects, underground wires and appurtenances at the point of delivery located on or adjacent to the Member's premises, and all wires and appurtenances to be installed beyond this point of service.
- 5) Where underground service is installed, the pole and meter equipment thereon shall be furnished in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances by the Cooperative.

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 supplying 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 as specified pursuant to a special Electric Service Agreement as required in Section 6.

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, 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 POLICY

A. LINE EXTENSION GUIDELINES

The intent of the line extension policy is to help ensure a new service pays for itself plus assigned capital credits over the life of the service. Guidelines for the following classes of service are as follows:

- 1) **TEMPORARY SERVICES:** Temporary services are those generally expected to be retired within two years of construction of service. The Cooperative will charge an amount equal to estimated labor, overhead and expendable material charges for both installation and removal of the temporary service.
- 2) **SEASONAL SERVICE:** Services classified as "seasonal" as defined in the Cooperative's rate tariffs, will be charged the Cooperative's full estimated cost to energize such service including transformer and metering equipment and installation.
- 3) **SINGLE PHASE RESIDENTIAL SERVICE:** Single phase residential service accounts that, under normal circumstances, will remain an active load for a period of time that will equal or exceed the life of the Cooperative's newly constructed plant shall pay the Cooperative's estimated full cost to construct and energize such service (including transformer, metering, tree clearing cost, etc.) less an allowance equal to the "Average Residential Rate Base" as further defined in the formula below.

Services that would otherwise meet the tariff requirements of Single Phase Residential Service but, in management's opinion, duration of active service may not equal or exceed the life of the cooperative's newly constructed plant, such as mobile homes or other living quarters that may easily become abandoned, shall be handled as a seasonal service for the purpose of the line extension policy.

Average Residential Rate Base = (Residential Rate Base divided by Total Residential Service Points) rounded to nearest \$100.

Residential Rate Base = Total Rate Base (calculated no less than annually) times the percent of rate base allocated to the residential classes during the most recent cost of service study or other similar study.

Total Rate Base = Total Net Plant (Total Utility Plant plus Construction Work in Progress less Accumulated depreciation) plus Total Other Rate Base (Materials & Supplies, Prepayments and Investments in CFC Certificates) less (Average Accrued Property Tax and Average Accrued Member Deposits).

- 4) OTHER SINGLE PHASE SERVICE: Other single phase services not listed elsewhere shall pay for the full cost of such line extension. At the option of the Cooperative, any Power Supply new load incentives, or other such incentives that may be available to the Cooperative, may be applied toward the Member's contribution cost.
- 5) MULTIPHASE LINE AND SERVICE: Whenever the Cooperative extends a multi-phase line or converts an existing line to furnish multiphase service to any Member in its territory Member shall pay for the full cost of such line extension/conversion cost. At the option of the Cooperative, any Power Supply new load incentives, or other such incentives that may be available to the Cooperative, may be applied toward the Member's contribution cost. Should the Member's load, or the operating characteristics of the Member's load, have an adverse or negative effect on other Members being served by the same distribution line, the Cooperative may require, at the Member's expense, the Member to install such equipment as necessary to enable the Cooperative to maintain an acceptable level of power quality in accordance with electric industry standards.

B. RIGHTS-OF-WAY AND RIGHT-OF-WAY CLEARING

The Member will provide or procure for the Cooperative at Member's expense such rights-of-way and right-of-way clearing including removal of trees that may interfere with the operation of the Cooperative's facilities as are satisfactory to the Cooperative for the construction, operation, and maintenance by the Cooperative of its facilities necessary or incidental to the supplying of such electric service.

C. CREDIT FOR SYSTEM IMPROVEMENT

A portion of the Member's contribution cost may be reduced when the line extension/conversion replaces or improves the Cooperative's existing facilities as determined by the Cooperative.

D. MOST FAVORABLE ENGINEERING DESIGN

The Member's contribution and the Cooperative's credit shall be based on the design that is the most favorable to the Cooperative as a whole. Engineering design, future maintenance, reliability, and construction costs shall be considered when making this determination. Should Member choose an alternate design that still meets the engineering, future maintenance, and reliability requirements of the cooperative, Member shall pay for the construction costs that exceed those of the most favorable design.

E. MINIMUM EXTENSION CHARGE

The minimum Member contribution-in-aid-to-construction shall be \$200, paid as a lump sum prior to field staking of the new service. The contribution fee shall be used to offset staking and other cost related to constructing new service. Such fee shall be applied toward the cost of the total Member contribution. Member changes to the original staking plan may be subject to additional fees that will not be applied to the total construction cost but will be used to offset the additional labor and vehicle costs incurred by the Cooperative as a result of said changes. Members who do not follow through with construction of new service within one year of payment shall forfeit such minimum contribution cost.

F. PAYMENT OF CONTRIBUTION

The Member shall pay for line extension cost in excess of the minimum contribution in the form of a lump sum payment. At the option of the Cooperative, line extension costs in excess of the minimum may be paid in an increased Member charge with applicable interest charges added to the principle amount and amortized over a period not to exceed five (5) years. The Cooperative will require a bond or other irrevocable guarantees to protect the term of the agreement.

G. CONTRACT TERM

As evidence that the Member accepts service under the terms of this extension policy, the Member will be required to sign an Electric Service Agreement guaranteeing the monthly Member Charges for a period of at least five (5) years. After the initial contract period, the monthly minimum or monthly Member Charge will not exceed the amount set forth in the appropriate Rate Schedule.

H. SERVICE MODIFICATIONS

The Cooperative shall make only one investment to the original project (as defined on the application for service). Any modifications to the original project, which do not benefit the Cooperative, must be paid in full by the Member prior to modifications.

I. SPECIAL CONTRACTS FOR SERVICE:

- 1) Notwithstanding any of the previous provisions, where it is necessary to make extensions or reinforce distribution lines to provide service such that in the sole judgment of the Cooperative, the revenue to be derived from, or the duration of the prospective business is not sufficient under the above stated monthly Member charge to warrant the investment, the Cooperative may require any one or more of the following of the Member before construction of equipment or facilities to supply service:
 - (a) an adequate monthly Member Charge calculated upon reasonable considerations,
 - (b) a cash contribution in advance,
 - (c) an acceptable guarantee or bond.
- 2) In such cases, the Member shall enter into a written contract with the Cooperative as to character, amount, and duration of the business offered.

J. PRORATION OF MINIMUM MONTHLY CHARGE

The Member contribution, determined in accordance with paragraphs A1 through A5 of this Section may be prorated as contractually agreed upon between all Members that are initially or subsequently served by the line extension within the contract period.

K. CONTRIBUTION BY DEVELOPER

In the event a developer or owner of a housing or building development requests that the Cooperative construct a distribution system therein in advance of the completion of a substantial number of the houses or buildings, the Cooperative may require a cash contribution from the developer or owner in sufficient amount to cover the cost of Cooperative's distribution system. The contribution shall be refunded to the developer or owner, proportionately as specified in paragraphs A1 through A5 of this section, as additional houses or buildings are built, occupied and connected to the distribution system during the succeeding five (5) years.

Section 9: METERING

A. METERING OF SERVICE

Cooperative will furnish and install at its expense all metering installations in accordance with the Cooperative's procedures for the installation of meter loops, meter receptacles, meters, and related appurtenances.

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

- 1) The Cooperative will eliminate, on a prospective basis, the practice of providing 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. The meters will be connected to one set of service wires, providing the service wires are of sufficient size to furnish an ample supply to all Members. Member's wiring shall be so arranged as to permit the installation of Cooperative's meters immediately adjacent to each other.
- 2) Through special permission of the Cooperative, Multiple Residential Complexes may be served through one meter where energy savings can be achieved through the use of energy systems which require master metering.

D. CHANGES IN METER INSTALLATIONS

- 1) Cooperative will, at its expense, make all changes in Cooperative's installed meter loops, meter receptacles, meters, and related appurtenances on Member's premises that are required to meet the Member's increased demand for electric service.
- 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) Whenever any test by the Cooperative of a watt-hour meter, while in service, shall show such meter to have an average error of more than two percent (2%) fast or two percent (2%) slow, the following provisions for the adjustment of the electric service bill shall be observed:
- 2) The error found shall be considered for the purpose of these rules to have existed for not more than six (6) months preceding the test or for the time the meter has been in service at the location if less than six (6) months, or from the actual time the meter became damaged if such time can be reasonably determined and is less than six (6) months prior to the time of the test.
- 3) 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.
- 4) If the meter is found to under-register, the Cooperative may render a bill to the Member 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 is equal to or exceeds ten dollars (\$10.00). The Cooperative shall in no case render a bill for under-registration where a meter has been found to be slow, unless the particular meter has been tested in conformity with this Section.

- 5) In the case of a non-registering meter the Cooperative shall estimate consumption according to procedures set forth in Section 4.M.

G. SPECIAL METER TESTS

In the event a Member requests the testing of 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 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 shall not be considered as proper until written acknowledgement of notice is given by the Cooperative to Member.

If oral orders are taken, in person or over the telephone, by an agent of the Cooperative, it is done for the convenience of the Member and at his/her 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 oral 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 Trustees 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 Cooperative Rule And Regulation 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, as specified in item "B" above, of the nature of the complaint so that the proper investigation may be conducted. The Cooperative's management shall make every reasonable effort through conference with the requesting member(s) to resolve the matter without the necessity of their attending a board meeting. If such effort fails, the Board shall schedule a time on its meeting agenda to hear the requesting member(s) request in accordance with Policy 20-M Member Attendance at Board Meetings. The Board of Trustees will then consider what, if any, action should be taken on the Member's complaint.