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**Section Title: STATEMENT OF OPERATIONS** 

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### SECTION 2. STATEMENT OF OPERATIONS

Wood County Electric Cooperative, Inc., is a member owned and controlled, non-profit electric cooperative system chartered under the Texas Utilities Code Chapter 161, Electric Cooperative Corporation Act of the State of Texas. Member control is exercised through the Cooperative's Board of Directors, this Board being nominated and elected by the members.

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**Section Title: AREAS SERVED** 

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### SECTION 3. AREAS SERVED

Wood County Electric Cooperative provides electric power service to the public in portions of the following counties:

Wood, Camp, Upshur, Smith, Van Zandt, Franklin, Hopkins, Rains, and Titus Counties.

Wood County Electric Cooperative provides electric power service to the public in the following cities and/or towns:

Quitman, Hawkins, Mt. Vernon, Yantis, Winnsboro, Mineola, Ben Wheeler, Van, Fruitvale, Grand Saline, and Hide-A-Way Lake.

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SECTION 4. RATE SCHEDULES

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### SINGLE PHASE SERVICE

### SCHEDULE A

### **AVAILABILITY**

### Available to:

- 1. All single-phase residential consumers subject to all established Terms and Conditions of Membership.
- 2. All single-phase non-residential consumers with load consistently below 50 KW demand per meter subject to all established Terms and Conditions of Membership. This load will be determined on an annual basis each December. Non-residential consumers with load less than 50 KW demand for at least nine of the previous twelve months will be placed on this rate.

### TYPE OF SERVICE

Single-phase, 60 cycle at available secondary voltage.

### **NET MONTHLY RATE**

Customer Charge @ \$8.00 per month

Energy Charge @ 6.667 ¢ per KWH

### MINIMUM CHARGES

The minimum monthly charge for a permanent single-phase service shall be \$12.00.

### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased pursuant to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of PCRF calculation.

### TEMPORARY SERVICE

Temporary service such as service to trailers, mobile homes, construction jobs, fairs, and carnivals shall be supplied in accordance with the foregoing rate except that the member shall pay in addition to the foregoing charges the total costs of connecting and disconnecting service less the value of materials returned to stock. A deposit, in advance, may be required of the full

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amount of the estimated bill for service, including the cost of connection and disconnection. The amount of the deposit will be agreed upon by the Cooperative and member before service is initiated.

### FRANCHISE COST ADJUSTMENT

For service rendered within the incorporated limits of a municipality that charges the Cooperative a franchise fee to serve members located within the municipality, the Cooperative shall calculate the applicable franchise cost adjustment to be a separately stated adjustment on those members' bills. The amount of the separately stated adjustment shall be determined by the following formula:

 $FCA = TAB \times FCR$ 

Where:

FCA = Franchise Cost Adjustment

TAB = Total amount billed to a member within the applicable municipality for electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the Cooperative's franchise agreement with that municipality.

FCR = Franchise cost rate (expressed as a decimal) calculated by the Cooperative which includes the amount levied by the municipality during the test year within its corporate limits where the member's service is rendered plus any other cost paid or incurred by the Cooperative pursuant to or as a result of the respective municipality franchise agreement.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### TERMS OF PAYMENT

Bills become delinquent if unpaid by due date. At that point service is subject to being disconnected if the member has not paid the bill and if the Cooperative has given the proper disconnection notice. Refer to Section 5, Page 17 for details on billing and payment for service.

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### GENERAL SERVICE UP TO 50 KW

### **SCHEDULE GS**

### **AVAILABILITY**

### Available to:

- 1. All three-phase residential consumers subject to all established Terms and Conditions of Membership.
- 2. All three-phase non-residential consumers with load consistently below 50 KW demand per meter subject to all established Terms and Conditions of Membership. This load will be determined on an annual basis each December. Non-residential consumers with load less than 50 KW demand for at least nine of the previous twelve months will be placed on this rate.

### TYPE OF SERVICE

Three-phase at available secondary voltage. Motors having a rated capacity in excess of 10 HP must be three-phase.

### **NET MONTHLY RATE**

Customer Charge @ \$15.00 per month

Energy Charge First 1500 KWH per month @ 6.21 ¢ per KWH

Over 1500 KWH per month @ 5.42 ¢ per KWH

Demand Charge First 10 kilowatts of billing demand per month, no demand charge.

Excess above 10 kilowatts of billing demand per month at \$4.50

per kilowatt.

### MINIMUM CHARGES

The minimum monthly charge shall be \$25.00.

### **DETERMINATION OF BILLING DEMAND**

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The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter.

### MINIMUM ANNUAL CHARGE FOR SEASONAL SERVICE

Members requiring service only during certain seasons not exceeding nine (9) months per year may guarantee a minimum annual charge, in which case there shall be no minimum monthly charge. The minimum annual charge shall be sufficient to accrue adequate compensation for the facilities installed to service the member, and in no event shall it be less than twelve times the minimum monthly charge determined in accordance with the foregoing paragraph. The minimum charge and the method by which the Cooperative will recover that charge will be agreed upon by the Cooperative and the member before the service is initiated.

### TEMPORARY SERVICE

Temporary service is non-permanent service such as, but not limited to, service to trailers, mobile homes, construction jobs, fairs, and carnivals and shall be supplied in accordance with the foregoing rate except that the member shall pay in addition to the foregoing charges the total costs of connecting and disconnecting service less the value of materials returned to stock. A deposit, in advance, may be required of the full amount of the estimated bill for service, including the cost of connection and disconnection. Temporary service is more fully defined in subsection B, "Definitions," found in Section 5, "General Terms and Conditions of Membership."

### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased pursuant to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of Power Cost Recovery Factor calculation.

### FRANCHISE COST ADJUSTMENT

For service rendered within the incorporated limits of a municipality that charges the Cooperative a franchise fee to serve members located within the municipality, the Cooperative shall calculate the applicable franchise cost adjustment to be a separately stated adjustment on those members' bills. The amount of the separately stated adjustment shall be determined by the following formula:

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Where:

FCA = Franchise Cost Adjustment

TAB = Total amount billed to a member within the applicable municipality for electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the Cooperative's franchise

agreement with that municipality.

FCR = Franchise cost rate (expressed as a decimal) calculated by the Cooperative which

includes the amount levied by the municipality during the test year within its corporate limits where the member's service is rendered plus any other cost paid or incurred by the Cooperative pursuant to or as a result of the respective

municipality franchise agreement.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### TERMS OF PAYMENT

Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 for details on billing and payment for service.

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### LARGE POWER SERVICE

### **SCHEDULE LP**

### <u>AVAILABILITY</u>

Available to all single or three-phase non-residential consumers with load consistently above 50 KW demand per meter subject to all established Terms and Conditions of Membership. The load will be supplied at one point of delivery and measured through one kilowatt hour meter, unless otherwise specified by contract.

### TYPE OF SERVICE

Single or three-phase, 60 cycles at standard or accepted delivery voltages.

### **NET MONTHLY RATE**

Customer Charge	@	\$25.00 per month
Energy Charge		
All KWH	@	3.358 ¢ per KWH
Demand Charge		
All KW of demand	@	\$6.00 per billing KW

There shall be a five percent (5%) discount applied to the energy charges if delivery is made at 12.5 kV and the member owns all equipment including transformation beyond the delivery point.

### **MINIMUM CHARGES**

The minimum monthly charge shall be the greater of the following:

- 1. A charge of \$1.15 per KVA of installed transformer capacity.
- 2. The demand charge.
- 3. The minimum monthly charge specified in the contract.

### **DETERMINATION OF BILLING DEMAND**

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The billing demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as provided hereafter, but in no event less than 60 percent (60%) of the highest demand established during the preceding eleven (11) months.

### POWER FACTOR ADJUSTMENT

The member agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of member's maximum demand is less than 85%, the demand billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 85% and divided by the present power factor.

### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of Power Cost Recovery Factor calculation.

### FRANCHISE COST ADJUSTMENT

For service rendered within the incorporated limits of a municipality that charges the Cooperative a franchise fee to serve members located within the municipality, the Cooperative shall calculate the applicable franchise cost adjustment to be a separately stated adjustment on those members' bills. The amount of the separately stated adjustment shall be determined by the following formula:

 $FCA = TAB \times FCR$ 

Where:

FCA = Franchise Cost Adjustment

TAB = Total amount billed to a member within the applicable municipality for electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the Cooperative's franchise agreement with that municipality.

FCR = Franchise cost rate (expressed as a decimal) calculated by the Cooperative which includes the amount levied by the municipality during the test year within its

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corporate limits where the member's service is rendered plus any other cost paid or incurred by the Cooperative pursuant to or as a result of the respective municipality franchise agreement.

### **LATE PAYMENT CHARGE**

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### **TERMS OF PAYMENT**

Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 for details on billing and payment for service.

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### OIL WELL PUMPING SERVICE

### **SCHEDULE OWS**

### AVAILABILITY

Available upon application from member of Cooperative for service to individual oil well above ground pump jacks supplied at one point of delivery and measured through one KWH meter.

This rate is not available to submersible pumps.

### TYPE OF SERVICE

Single-phase or three-phase, 60 cycle at available secondary voltage.

### **NET MONTHLY RATE**

Energy Charge \_\_\_\_ @ All KWH @ 3.59 ¢ per KWH H.P. Charge @ \$3.00 per connected H.P.

### DETERMINATION OF HORSEPOWER

The horsepower for billing purposes shall be the manufacturer's motor's highest name plate rating, or at its option, the Cooperative may determine the horsepower by test under conditions of maximum operating load.

### POWER FACTOR ADJUSTMENT

The member agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of member's maximum demand is less than 85%, the demand billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 85% and divided by the present power factor.

### **MINIMUM CHARGES**

The minimum monthly charge under the above rate shall be the horsepower charge, but in no event shall it be less than \$15.00. Service under this schedule may be subject to control by a time switch. Payment of the minimum charge shall entitle the member in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

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### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of Power Cost Recovery Factor calculation.

### FRANCHISE COST ADJUSTMENT

For service rendered within the incorporated limits of a municipality that charges the Cooperative a franchise fee to serve members located within the municipality, the Cooperative shall calculate the applicable franchise cost adjustment to be a separately stated adjustment on those members' bills. The amount of the separately stated adjustment shall be determined by the following formula:

 $FCA = TAB \times FCR$ 

Where:

FCA = Franchise Cost Adjustment

TAB = Total amount billed to member within the applicable municipality for electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the Cooperative's franchise agreement with that municipality.

FCR = Franchise cost rate (expressed as a decimal) calculated by the Cooperative which included the amount levied by the municipality during the test year within its corporate limits where the member's service is rendered plus any other cost paid or incurred by the Cooperative pursuant to or as a result of the respective municipality franchise agreement.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### TERMS OF PAYMENT

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Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 for details on billing and payment for service.

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### SECURITY LIGHT SERVICE

### SCHEDULE SL

### <u>AVAILABILIT</u>Y

Available to any member at a point or points adjacent to existing distribution lines.

### TYPE OF SERVICE

Single-phase, 60 cycle at available secondary voltage.

### **NET MONTHLY RATE**

For one 175 Watt Mercury Vapor Lamp erected on existing pole or structure on the Cooperative's side of the meter and assigned 75 kilowatt-hours per month at \$6.00 per month.

For one 175 Watt Mercury Vapor Lamp erected on existing pole or structure on the member's side of the meter and assigned no kilowatt-hours per month at the charges listed below:

Rate A	\$ 1.00
Rate GS	\$ 1.35
Rate OWS	\$ 3.30
Rate LP1	\$ 3.45

For one 400 Watt Mercury Vapor Lamp erected on existing pole or structure on the Cooperative's side of the meter and assigned 172 kilowatt-hours per month at \$11.30 per month.

The Cooperative will at the request of the member install a maximum of two poles (not to exceed 300 feet of conductor) at an additional cost of \$ 0.75 per pole per month.

### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of Power Cost Recovery Factor calculation.

### **MAINTENANCE**

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The Cooperative will provide normal maintenance on the fixture and lamp at no additional charge. However, where such facilities are damaged or destroyed by vandalism, member neglect or causes other than natural causes such as lightning, the member shall be required to reimburse the Cooperative for the costs of repairs or replacement; otherwise, the lighting facilities may be removed.

### **INITIAL CONNECTION CHARGE**

In addition to the monthly charges set forth in the above Net Monthly Rate, the member will be charged \$25.00 per lamp when service rendered hereunder is initially connected.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### **TERMS OF PAYMENT**

Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 for details on billing and payment for service.

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### CITY OF QUITMAN RETAIL RATE

### **SCHEDULE QTM**

### <u>AVAILABILITY</u>

Available to all meters listed in the name of the City of Quitman and subject to the rules and regulations of the Cooperative.

### **TYPE OF SERVICE**

Single or three-phase at available secondary voltage.

### **NET MONTHLY RATE**

All energy shall be billed at one-half (1/2) the delivered cost of power. This kilowatt-hour charge is determined by dividing one-half (1/2) of the adjusted sales of electric energy (in \$'s) by the total adjusted KWH sold for the most recent month.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### **TERMS OF PAYMENT**

Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 for details on billing and payment for service.

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### POWER COST RECOVERY FACTOR (PCRF) CALCULATION

The monthly charges shall be increased or decreased on a uniform per KWH basis computed monthly as follows:

$$PCRF = \underbrace{(A - B + C)}_{KWH}$$

Where:

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

A = Total estimated purchased electricity cost from all suppliers including fuel for the billing period, excluding purchased power costs associated with service to consumers billed under Schedule C-1.

B = Total estimated purchased electricity cost from all suppliers including fuel which are included in the Cooperative's base rates. The base power cost is computed as:

B = (D)(KWH)

D = Base power cost in \$/KWH sold of \$.03972

KWH = Total estimated energy sales for billing period, excluding kilowatt-hours sold to consumers billed under Schedule C-1.

C = Adjustment to be applied to the current monthly billing to account for differences in actual purchased electricity costs and estimated purchased electricity costs recovered in previous periods.

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### CONTRACT POWER SERVICE

### SCHEDULE C-1

### **AVAILABILITY**

Available in all territory served by the Cooperative, in accordance with its established service rules and regulations and subject to the execution of a written agreement for service provided herein between the Cooperative and the member. Service under this schedule is available only to member's electrical loads which qualify the Cooperative to purchase power and energy under its wholesale supplier's Rate Schedule C-1, and is not available for temporary, standby, or breakdown service, or for parallel operation.

### **APPLICABILITY**

Applicable to existing consumers of the Cooperative who have a measurable and economically viable alternative source of power to serve all or a portion of their electrical requirements. This rate schedule is only applicable to that portion of the member's load which is currently being served or being evaluated for service by sources of power other than the Cooperative. Also applicable to new members with connected loads of not less than 2,000 kVA, or existing members who add additional connected load of not less than 2,000 kVA.

### TYPE OF SERVICE

Three-phase, 60-hertz, at available voltages or other voltage that is mutually agreeable.

### MONTHLY RATE

### Consumer Charge:

Consumer specific as determined herein.

### Wholesale Power Cost Charge:

The sum of all charges billed to the Cooperative by its wholesale power supplier for service rendered hereunder to the member plus a member specific mark-up applied to such wholesale charges.

### MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be such charge specified in the agreement for service between the Cooperative and the member.

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### DETERMINATION OF CONSUMER CHARGE

The Consumer Charge shall be determined on a case-by-case basis by applying a monthly carrying charge to the total investment (including any net replacements made from time to time) in electric plant facilities installed by the Cooperative for providing service herein. The total investment will include both specific reasonable allocable electric plant facilities. The monthly carrying charge shall be based upon current investment-related costs of providing service such as operating and maintenance expense, property taxes, depreciation and interest expenses, and a contribution to margins. The Consumer charge shall also include a monthly billing charge of \$50.00 and additional charges, if necessary, for the member to provide a contribution to fixed costs that, at a minimum, reflects the fixed costs allocable to the member under the Cooperative's standard applicable rate.

### **TERMS OF PAYMENT**

The terms of payment shall be specified in the agreement for service between the Cooperative and the member.

### **TERM OF SERVICE**

Service hereunder shall be effective to each member served hereunder based on the individual contract terms set forth in the written agreement for service between the Cooperative and the member. Such agreement shall include a facilities abandonment provision to insure recovery of the total investment described in the above DETERMINATION OF CONSUMER CHARGE and recovery of any applicable wholesale power supplier abandonment charge. The facilities abandonment charge shall be equal to the unrecovered investment less salvage value, net of the cost of removal. The investment in electric plant facilities used for determining the facilities abandonment charge will be based upon actual construction costs, though a cost estimate may be contained in the agreement. If the actual cost is less than the estimate, the member will be given the benefit of such variance by a reduction in the facilities abandonment charge. If the actual cost is greater than the estimate, the facilities abandonment charge will be increased. As set forth in the agreement, the facilities abandonment charge may be a lump-sum amount, or may be provided by a schedule of payments made during a specified term and reflecting an appropriate interest rate.

Following termination of service hereunder, the member's load shall be billed under the Cooperative's rate schedule applicable to consumers of similar load size and type.

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### LARGE POWER HIGH LOAD FACTOR SERVICE

### **SCHEDULE HLF**

### **AVAILABILITY**

Available to members for all types of uses at any point on or near the Cooperative's three-phase lines, where the monthly peak demand exceeds 2,000 kW and the minimum monthly load factor is 70%. The monthly load factor shall be determined by dividing the member's average demand (kilowatt-hours of energy used divided by the number of hours in the billing period) by the member's metered demand. If the member's load characteristics for the current billing period fail to meet the minimum kilowatt and load factor requirements, then the member shall be billed under the Cooperative's Large Power Service Schedule LP for that billing period.

Service hereunder is subject to the rules and regulations of the Cooperative, and is not for resale, breakdown, standby, auxiliary or supplemental service. Service hereunder is also subject to the execution of a written contract for electric service between the member and the Cooperative.

### **TYPE OF SERVICE**

Three-phase, 60 cycles at standard or accepted delivery voltages.

### **NET MONTHLY RATE**

Customer Charge	@	\$25.00 per month
Energy Charge		
All KWH	@	2.725 ¢ per KWH
Demand Charge		
All KW of demand	@	\$6.00 per billing KW

### MINIMUM CHARGES

The minimum monthly charge shall be the greater of the following:

- 1. A charge of \$1.15 per KVA of installed transformer capacity.
- 2. The demand charge.

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3. The minimum monthly charge specified in the contract.

### DETERMINATION OF METERED AND BILLING DEMAND

The metered demand shall be the maximum kilowatt demand established by the member for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter. The billing demand shall be the metered demand adjusted for power factor as provided hereafter, but in no event less than 60 percent (60%) of the highest metered demand established during the preceding eleven (11) months.

### **POWER FACTOR ADJUSTMENT**

The member agrees to maintain unity power factor as nearly as practicable. The Cooperative reserves the right to measure such power factor at any time. Should such measurements indicate that the power factor at the time of member's maximum demand is less than 85%, the demand for billing purposes shall be the metered demand multiplied by 85% and divided by the percent power factor.

### **METERING**

The Cooperative will provide metering at one point of delivery at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at secondary distribution voltage, the Demand Charge and Energy Charge in the above NET MONTHLY RATE will be increased by 2% for billing purposes herein.

### POWER COST RECOVERY FACTOR CHARGE

The above rates shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor (PCRF). See page 15 for details of Power Cost Recovery Factor calculation.

### FRANCHISE COST ADJUSTMENT

For service rendered within the incorporated limits of a municipality that charges the Cooperative a franchise fee to serve members located within the municipality, the Cooperative shall calculate the applicable franchise cost adjustment to be a separately stated adjustment on those members' bills. The amount of the separately stated adjustment shall be determined by the following formula:

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Where:

FCA = Franchise Cost Adjustment

TAB = Total amount billed to a member within the applicable municipality for

electric service under any applicable tariff or rate, excluding sales tax and any other amounts which are deductible under provisions of the

Cooperative's franchise agreement with that municipality.

FCR = Franchise cost rate (expressed as a decimal) calculated by the Cooperative

which includes the amount levied by the municipality during the test year within its corporate limits where the member's service is rendered plus any other cost paid or incurred by the Cooperative pursuant to or as a result of

the respective municipality franchise agreement.

### LATE PAYMENT CHARGE

The above rates are net. In the event the current monthly bill is not paid within sixteen (16) days of the billing date, a five percent (5%) late payment charge will be added to the bill.

### TERMS OF PAYMENT

Bills become delinquent if unpaid by due date. Service is subject to being disconnected if the bill has not been paid and proper disconnection notice has been given. Refer to Section 5, Page 17 of the Wood County Electric Cooperative, Inc. Electric Service Tariff for details on billing and payment for service.

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### SECTION 5. GENERAL TERMS AND CONDITIONS OF MEMBERSHIP

### A. <u>INTRODUCTION</u>

This Electric Service Tariff sets forth the terms and conditions under which electricity is supplied to its members by Wood County Electric Cooperative, Inc. These terms and conditions, as approved and amended from time to time by the Board of Directors, are intended to establish comprehensive guidelines for both Wood County Electric Cooperative's employees and its members to assure that rates, operations and services are just and reasonable to all concerned, and to establish the rights and responsibilities of both the member and Wood County Electric Cooperative. These Terms and Conditions are to be applied uniformly to all members, applicants, and former members regardless of race, color, creed, sex, age, nationality, marital status, or disability.

Wood County Electric Cooperative, Inc. reserves the right to effect changes in these Terms & Conditions to meet new and unforeseen conditions as deemed necessary and applicable by the Board of Directors of Wood County Electric Cooperative.

### B. <u>DEFINITIONS</u>

As used in these Terms and Conditions, unless the context requires otherwise, the following words and phrases have the indicated meaning:

- (1) Cooperative: Wood County Electric Cooperative, Inc.
- (2) Member: Member/Consumer, Customer, Consumer: Any person, firm, corporation, or body politic or division thereof, receiving electric service from the Cooperative.
- (3) Applicant: Any person, firm, corporation, or body politic or subdivision thereof, requesting affirmative service or action from the Cooperative.
- (4) Permanent Residence: Any member utilizing the service of the Cooperative at a permanent dwelling of at least 90% occupancy and/or at the location of their legal residence not expected to be moved or destroyed by means other than natural causes.
- (5) Temporary, Weekend, Seasonal: Any member utilizing the services of the Cooperative at a dwelling of less than 90% occupancy, or a temporary meter loop delivering electric power for any purpose other than for use by a building contractor.

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(6) Electric Service, Services, Electricity: The actual delivery of electricity to the member and including any and all acts done, rendered, or performed in the delivery of electricity by the Cooperative.

### C. BECOMING A MEMBER:

Any person, firm, corporation, or body politic or subdivision thereof may become a member of the Cooperative by:

- (1) Making a written application for membership on the form(s) prescribed by the Cooperative.
- (2) Agreeing to purchase from the Cooperative electric energy as hereinafter specified by other Terms and Conditions and the applicable rate schedule for the type of service requested.
- (3) Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors.

### D. SECURING ELECTRIC SERVICE:

(1) Connect fee:

The applicant, by accepting the electricity, agrees to be bound by the applicable rates and Terms and Conditions of service as approved by the Board of Directors and practiced by the Cooperative, whether or not a written agreement covering the supply of electricity is executed. A non-refundable connect fee of \$25.00 will be charged for each meter set.

(2) Response to Approved Application for Membership:

The Cooperative will provide service as rapidly as is practical. Under normal conditions, service can be expected within seven working days to members not requiring line extension or other construction. Those applicants for residential service requiring line extensions must furnish the Cooperative with all necessary right-of-way easements, permits, and mutually agreed upon line construction contributions prior to commencing the construction. The Cooperative will then make every effort to provide service to the applicant within 90 days from the date that satisfactory arrangements have been made.

(3) Deposits:

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### (a) Permanent Residents:

The Cooperative may, if deemed necessary, require a deposit not to exceed an amount equivalent to one-sixth annual billing.

The Cooperative will not require an applicant for permanent residence to pay a deposit if:

- (1) The applicant has been a customer of any retail electric provider, electric utility, or a member of any other electric cooperative within the last two years and is not delinquent in payment of any such electric utility service account or cooperative account during the last twelve consecutive months of service, did not have more than one occasion in which a bill for such electric service was paid after becoming delinquent and never had service disconnected for non-payment; or
- (2) The applicant demonstrates a satisfactory credit rating as determined by the Cooperative by appropriate means including, but not limited to, credit cards, letters of credit reference, the names of credit references the Cooperative may contact, or ownership of substantial equity; or
- (3) The applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the Cooperative's service. The guarantor must be a member of the Cooperative in good standing who has been a member for at least two years and is not delinquent in payment of any such electric utility service account or cooperative account during the last twelve consecutive months of service, did not have more than one occasion in which a bill for such electric service was paid after becoming delinquent and never had service disconnected for non-payment. Unless otherwise agreed to by the guarantor, the guarantee shall be for the amount of deposit the Cooperative would normally seek on the applicant's account. The amount of the guarantee shall be clearly indicated on any documents or letters of guarantees signed by the guarantor; or
- (4) The applicant, is 65 or older, and does not have an outstanding account with another cooperative, retail electric provider, or electric utility (or other utility) which accrued within the last two years.

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(b) Temporary, Weekend, Seasonal Residents:

The Cooperative may require a deposit sufficient to reasonably protect it against the assumed risk by the service requested.

(c) Commercial, Business, and Industrial Applicants:

In case of commercial, business, or industrial service, if the credit of an applicant for service has not been established satisfactorily to the Cooperative, the applicant may be required to make a deposit and at the Cooperative's option, complete a Retail Energy Credit Application on a form prescribed by the Cooperative.

The required deposit will not exceed an amount equivalent to one-sixth of the estimated annual billing.

- (d) Increased Deposit Requirements From Existing Members Who Are Delinquent In Payment Of Their Bills:
  - (1) Deposit on File; Length of Service is Less Than a Year: During the first twelve (12) months of service, if the actual usage is three times estimated usage (or three times average usage of most recent three bills) and current usage exceeds \$150 and 150% of the security held, an additional deposit may be required. If an additional deposit is required, it must be paid within ten (10) days after issuance of written notice of termination and requested additional deposit. In lieu of additional deposit, the member may elect to pay the current usage within ten (10) days after issuance of written notice of termination and requested additional deposit.
  - (2) Deposit on File; Length of Service is One Year or More: After the first twelve (12) months of service, if the actual monthly billing of a member is more than twice the amount of the member's deposit and two termination notices have been issued on the account within the previous twelve (12) month period, an additional deposit may be required to be made within ten (10) days after issuance of written notice of termination and requested additional deposit. The additional deposit will be limited to the difference between the current deposit and one-sixth (1/6) of the member's prior twelve billings. In lieu of additional deposit, the member may elect to pay the current amount due by the due date of the bill,

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provided the member has not exercised this option in the previous twelve (12) months.

(3) No Deposit on File; Any Length of Service: If a member, who does not have a deposit, receives two termination notices within a twelve (12) month period or is disconnected for non-payment of the bill, the member may be required to pay a deposit. The deposit will be one-sixth (1/6) of the annual billing for the member's location. The member will be required to pay the deposit within ten (10) days after issuance of written notice of termination and requested deposit. In lieu of the deposit, the member may elect to pay the current bill by the due date of the bill, provided the member has not exercised this option in the previous twelve (12) months.

### (e) Interest on Deposits:

The Cooperative, when requiring deposits to be made by its consumers, shall pay interest on such deposits at the rate set from time to time by the Cooperative. If a refund of the deposit is made within 30 days of receipt of the deposit, no interest payment is required. If the Cooperative retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

- (i) Payment of interest to the consumer shall be annually if requested by the consumer, or at the time the deposit is returned or credited to the consumer's account.
- (ii) Interest on the consumer's deposit shall be compounded after one year.
- (iii) The deposit will cease to draw interest on the date it is returned or credited to the consumer's account.

### (f) Miscellaneous Deposit Information:

- (1) At the time a deposit is required, the Cooperative will provide the applicant with written information that contains:
  - a) The circumstances under which the Cooperative may require a deposit or an additional deposit.

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b) How a deposit is calculated.

- c) The amount of interest paid on a deposit and how this interest is calculated.
- d) The time frame and requirement for return of deposit to the member.
- (2) Credit history shall be applied equally for a reasonable period of time to a spouse or a former spouse who shared the service. Credit history maintained by one must be applied equally to the other without modification and without additional qualifications not required of the other.
- (3) When the member has paid bills for service for twelve (12) consecutive residential billings without having service disconnected for non-payment of bills and without having more than two occasions in which a bill was delinquent, and when the member is not delinquent in the payment of current bills, the Cooperative shall void and return any documents or letters of guarantee placed with the Cooperative to the guarantor.
- (4) Records of Deposits:
  - (a) The Cooperative will keep records to show:
    - (i) the name and address of each depositor;
    - (ii) the amount and date of the deposit; and
    - (iii) each transaction concerning the deposit.
  - (b) The Cooperative will issue a receipt of deposit to each applicant from whom a deposit is received and will provide means whereby a depositor may establish claim if the receipt is lost.
  - (c) A record of each unclaimed deposit will be maintained for four years, during which time the Cooperative will make a reasonable effort to return the deposit.
- (5) Refund of Deposit:

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(a) If service is not connected or after disconnection of service, the Cooperative shall promptly and automatically refund the member's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished.

- (b) When the member has paid bills for service for twelve (12) consecutive residential billings or for twenty-four (24) consecutive commercial or industrial billings without having more than two occasions in which a bill was delinquent, and when the member is not delinquent in the payment of the current bills, the Cooperative shall promptly and automatically refund the deposit to the member in the form of credit to the member's bill.
- (4) Wiring, Location of Meter Base and/or Meter Loop:
  - (a) All wiring of the applicant shall conform to the National Electrical Code and the specifications of the Cooperative and/or municipal wiring codes, where applicable.
  - (b) A meter base, for attachment to permanent type dwellings or buildings, will be furnished by the Cooperative. Meter loops for temporary service must be procured by the applicant from a source other than the Cooperative.
  - (c) The location of the meter base, meter loop, and the point at which the Cooperative's supply lines connect on the building or other point of delivery shall be designated by the Cooperative. It will be a practice of the Cooperative to designate a location that will be readily accessible for reading, testing and inspection of the equipment, and one where such activities will cause minimum interference and inconvenience to the member.
  - (d) Where the point of delivery on the member's premises is changed at the request of the member, or due to alterations on the member's premises, the member shall provide to the Cooperative payment of any additional cost incurred in providing the requested change.

### E. <u>REFUSAL OF SERVICE:</u>

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(1) The Cooperative may decline to serve an applicant until such applicant has complied with any applicable State or municipal codes and their terms and conditions of membership, and for the following reasons:

- (a) If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given; or
- (b) If the applicant is indebted to the Cooperative; provided however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the deposit requirements of the Cooperative; or
- (c) If the applicant refuses to make a deposit as required by these Terms and Conditions of Membership.
- (2) In the event that the Cooperative shall refuse to serve an applicant under the provisions stated above, the Cooperative will inform the applicant of the basis of its refusal. An applicant refused service under the provisions described above, or under any provision in these General Terms and Conditions of Membership, may appeal such denial of service as established by board policy.
- (3) The Cooperative shall not consider the following as sufficient cause for refusal of service to a present member or applicant:
  - (a) Delinquency in payment for service by a previous occupant of the premises to be served;
  - (b) Failure to pay for merchandise or charges for non-electric service purchased from the Cooperative;
  - (c) Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;
  - (d) Violation of the Cooperative's rules and terms and conditions pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service of others, or other services such as communication services, unless the member has first been notified and been afforded reasonable opportunity to comply with said rules and terms and conditions:

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(e) Failure to pay a bill of another member as guarantor thereof, unless the guarantee was made in writing to the Cooperative as a condition precedent to service; and

(f) Failure to pay the bill of another member at the same address except where the change of the member's identity is made to avoid or evade payment of an electric bill.

### F. USE OF ELECTRIC SERVICES:

- (1) The Cooperative reserves the right, but shall not be required to determine the suitability of apparatus or appliances to be connected to its line and to determine whether the operation of such be detrimental to its general supply of electricity until such time as the member shall conform to the Cooperative's specifications.
- (2) The member or applicant agrees that no electricity other than that supplied by the Cooperative shall be used in the operation of the applicant's equipment without previous written consent of the Cooperative.
- (3) The member shall notify the Cooperative of new or unusual equipment or appliances to be added and obtain the consent of the Cooperative to the use thereof.
- (4) The Cooperative will furnish electricity to the member for use only for the member's own purposes and only on the premises occupied through ownership or lease by the member. The member shall not remeter, submeter or otherwise control electricity for resale or assignment to another or others.
- (5) The electricity furnished under this agreement is supplied by the Cooperative and purchased by the member upon its express condition that after it passes the metering equipment of the Cooperative or other point of delivery (termination of Cooperative's service equipment), it becomes the property of the member to be used only as herein provided. The Cooperative shall not, in any event, be liable for loss or damage resulting from the presence, character, or condition of the wires or appliances of the member.

### G. CONTINUITY OF SERVICE:

(1) The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electricity, but the Cooperative shall not be liable if such supply fails because of:

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(a) Interruptions or reductions due to operation of devices installed for power system protection;

- (b) Interruptions or reductions due to Acts of God, Governmental Authority, Independent System Operator, Independent Organization, or Regional Transmission Organization, action of the elements, force majeure, public enemy, accident, strikes, labor trouble, and;
- (c) Interruptions or reductions which, in the opinion of the Cooperative are necessary or desirable for the purpose of maintenance, repairs, replacements, installation of equipment or investigation or inspection, or for any other cause beyond the reasonable control of the Cooperative.
- (2) In the event of national emergency or local disaster, resulting in disruption of normal service, the Cooperative may, in the public interest, interrupt service to other members to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

### H. RIGHT OF ACCESS:

The Cooperative shall have the right of access to the member's premises at all reasonable times for the purpose of reading meters of the Cooperative, for removing its property and for other proper purposes; and the Cooperative shall have the right to discontinue the supply of electricity within seven (7) days from notice to the member if such access is not given.

### I. <u>MEMBER/CONSUMER'S RESPONSIBILITIES:</u>

- (1) The member shall be responsible at all times for the safekeeping of all Cooperative property installed on the member's premises and to that end shall give no one except authorized Cooperative employees access to such property.
- (2) The member shall be responsible to insure that no dangerous condition is allowed to exist on his premises endangering life or property.
- (3) Except as provided elsewhere in the Cooperative's tariff, the Cooperative may charge \$20.00 for each trip to a consumer's premises which is requested by the consumer, or is reasonably necessary under the terms and conditions of the Cooperative's tariff or standard operating practice (e.g., bill collection, connection or reconnection of service). If such trip is made outside of the

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Cooperative's normal working hours, the consumer may be charged \$80.00. No charge shall be made to investigate an outage or service irregularity unless caused by the consumer or the consumer's installation or equipment.

### J. DAMAGE TO COOPERATIVE PROPERTY:

Whenever a tree shall be cut on a line of the Cooperative or whenever any line shall be negligently damaged so as to cause a disruption of service, there will be a charge based on the actual cost of restoring the line. Any damage negligently done to any Cooperative property not resulting in a disruption in service shall be charged for at the actual cost of repairing such damage.

### K. THEFT OR FRAUDULENT USE OF SERVICE:

No person except an employee of the Cooperative shall alter, remove or make any connections to Cooperative meter or service equipment. No meter seal may be broken by anyone other than a Cooperative employee; provided however, the Cooperative may give its prior consent to seal breaking by an approved electrician employed by a member when deemed necessary to the Cooperative.

In cases of meter tampering or bypassing of meter, electric energy consumed, but not metered, will be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable due to meter tampering or bypassing of meter, consumption may be estimated on the basis of usage levels of similar members and under similar conditions.

There will be a charge for all labor, material and equipment necessary to repair or replace all equipment damaged due to meter tampering or bypassing of meter.

The bill will be paid at such reasonable time as established by the Cooperative's Manager. Failure to pay said bill will be grounds for terminating the member from Cooperative service.

### L. DISCONTINUANCE OF THE SUPPLY OF ELECTRICITY:

The Cooperative reserves the right to discontinue furnishing electricity to a member upon the occurrence of any one or more of the following events:

### (1) At any time without notice:

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(a) Where a known dangerous condition exists for as long as the condition exists or;

- (b) Where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for non-payment or;
- (c) In instances of tampering with the Cooperative's meter or equipment by passing the same or other instances of diversion.
- (d) Where reasonable, given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefore, shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.
- (2) With ten (10) days notice to the member from the Cooperative the electric service may be disconnected for any of the following reasons:
  - (a) Failure to pay a delinquent account for electric service or failure to comply with the terms of a deferred payment agreement;
  - (b) Violation of the Cooperative's rules and terms and conditions pertaining to the use of service in a manner which interferes with the service of others or the operations of non-standard equipment, if a reasonable attempt has been made to notify the member and the member is provided with a reasonable opportunity to remedy the situation;
  - (c) Failure to comply with deposit or guarantee arrangements.

Notice of intent to discontinue service shall be considered to be given a member when a notice is left with the member or left at the premises where his bill is rendered or posted in the United States mail addressed to the member's last post office address shown on the records of the Cooperative.

- (3) Electric service may not be disconnected for any of the following reasons:
  - (a) Delinquency in payment for electric service by a previous occupant of the premises.
  - (b) Failure to pay for merchandise or charges for non-electric service provided by the Cooperative.

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(c) Failure to pay for a different type of service unless fee for such service is included on the same bill.

- (d) Failure to pay the account of another member as guarantor thereof, unless the Cooperative has in writing the guarantee of the condition precedents to the service.
- (e) Failure to pay charges arising from another billing occurring due to the misapplication of rates more than six months prior to the current billing.
- (f) Failure to pay charges arising from another billing due to any faulty metering, unless the meter has been tampered with.
- (g) Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter-reading plan, unless the Cooperative is unable to read the meter due to circumstances beyond its control.
- (h) Unless a dangerous condition exists, or unless a member requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Cooperative are not available to the public for the purpose of making collections and reconnecting service.
- (i) The Cooperative may not abandon a customer or a certified service area without written notice to its customers therein and all similar neighboring utilities, and approval from the Public Utility Commission of Texas.
- (j) The Cooperative will not disconnect service to a delinquent residential member permanently residing in an individually metered dwelling unit when that member establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a member seeks to avoid termination of service, the member must have the attending physician call or contact the Cooperative within sixteen (16) days of the issuance of the bill. A written statement must be received by the Cooperative from the physician within twenty-six (26) days of the issuance of the utility bill. The prohibition against service termination shall last sixty-three (63) days from the issuance of the Cooperative bill or such lesser period as may be agreed upon by the Cooperative and the member or physician. The member who makes such request shall enter into a deferred payment plan.

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(k) The Cooperative will not terminate service to a delinquent residential member for a billing period in which the member has applied for and been granted energy assistance funds if any agency or administrator of these funds has notified the Cooperative, prior to the date of disconnection, of approval of an award sufficient to cover the bill, or a portion of a bill so that the member can successfully enter into deferred payment plan for the balance of the bill.

(1) On a day when the previous day's weather highest temperatures did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at that level for the next twenty-four (24) hours according to the nearest National Weather Service (NWS) reports, or in zones where an excessive heat alert is in effect as determined by the NWS and reported by the National Oceanic and Atmospheric Administration (NOAA), the Cooperative will not disconnect a member until the Cooperative ascertains that no life threatening conditions exist in the member's household, or would exist, because of disconnect during severe weather conditions.

#### M. MEMBER'S RELATIONS:

- (1) The Cooperative will assist the member or applicant in selecting the most applicable rate schedule for his proposed electric service.
- (2) The Cooperative will notify members affected by a change in rates or classification.
- (3) The Cooperative will have available for inspection at the Cooperative's offices in Quitman, Texas, all applicable rate schedules and terms and conditions.
- (4) The Cooperative will maintain a current set of maps on file at its Field Office to be able to accurately advise applicant, and others entitled to the information, as to the facilities available within its areas of certification for providing electric service.
- (5) The Cooperative will provide its members with all available information on rates and services as the member may reasonably request.
- (6) The Cooperative shall provide to its members biennially a pamphlet or packet entitled, "Your Rights as A Member," and should include the following:

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(a) The member's right to information concerning rates and services and the member's right to inspect or obtain at reproduction cost a copy of the applicable tariffs and service rules;

- (b) The member's rights to have his/her meter tested without charge as set out in section 5 (W) (5);
- (c) The time allowed to pay outstanding bills;
- (d) The grounds for termination of service;
- (e) The steps that must be taken before the Cooperative may terminate service:
- (f) How the member can resolve billing disputes with the Cooperative and how disputes effect termination of service;
- (g) Information on alternative payment plans offered by the Cooperative, including, but not limited to, deferred payment plans, level billing programs, average payment plans, as well as a statement that the member has the right to request these alternative payment plans;
- (h) The steps necessary to have service reconnected after involuntary termination;
- (i) The hours, addresses, and telephone number of the Cooperative's offices where bills may be paid and information may be obtained;
- (j) The member's right to be instructed by the Cooperative how to read his or her meter, if applicable;
- (k) The circumstances under which the Cooperative may require a deposit or additional deposit; how a deposit is calculated; the interest paid on a deposit; and the time frame and requirement for return of the deposit to the member;
- (l) A statement that funded financial assistance may be available for persons in need of assistance with their Cooperative payments, and that additional information may be obtained by contacting the local office of the Cooperative, Texas Department of Human Resources, Texas Department of Community Affairs, or the Public Utility Commission of Texas with

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central office telephone number and address for each state agency provided;

- (m) A statement that the Cooperative's services are provided without discrimination as to a member's race, color, creed, sex, age, nationality, marital status, or disability, and a summary of the Cooperative's policy regarding the provision of credit based upon the credit history of a member's former spouse;
- (n) Notice of any special services such as readers or notices in Braille, if available.

#### N. RECONNECTION OF THE SUPPLY OF ELECTRICITY:

If the supply of electricity has been discontinued for any violation of the rules of membership in the Cooperative, the Cooperative shall have a reasonable period of time in which to reconnect the member's service after satisfactory arrangements have been made for the payment of all delinquent bills and obligations due the Cooperative and after the member has corrected all unsatisfactory conditions which may have existed on the member's premises and has fully complied with these terms and conditions and with any of the conditions or obligations of any agreement with the Cooperative for the purchase of electricity.

Every applicant who previously has been a member of the Cooperative and whose service has been discontinued for non-payment of bills or meter tampering or bypassing of meter shall be required, before service is rendered, to pay all amounts due the Cooperative or execute a deferred payment agreement if offered, and reestablish credit as provided in subsection (D) of this section. The burden shall be on the Cooperative to prove the amount of service received but not paid for and the reasonableness of any charges for such unpaid service, as well as all other elements of any bill required to be paid as a condition of service restoration.

#### O. COMPLAINTS:

Upon complaint to the Cooperative either at its office, by letter or by telephone, the Cooperative will promptly make a suitable investigation and advise the complainant of the results thereof.

#### P. RELOCATION OF COOPERATIVE'S FACILITIES:

The Cooperative will relocate or change routing of its lines and facilities providing the member requesting such relocation or changes shall pay the final costs of such work.

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Account shall be taken by the Cooperative of the advantages and improved facilities to be gained by the Cooperative and charges prorated accordingly.

### Q. <u>CONSUMERS EQUIPMENT ON COOPERATIVE POLES:</u>

Appurtenances or attachments of any kind shall not be affixed to Cooperative poles by members or anyone else without specific authorization from officials of the Cooperative. Adequate working space around the pole shall be left at all times.

#### R. MEMBER ACCOUNT HISTORY

The Cooperative will assess a charge of \$25.00 to provide a member's account history in response to third party requests, or where the member approves such request. Member account histories which cannot be supplied from on-line reports from the Cooperative's accounts receivable database in computer printout format, will be supplied only upon payment to the Cooperative of the actual cost of providing such information.

#### S. BILLING AND PAYMENT FOR SERVICE

All members receiving service from the Cooperative are billed once each month unless expressly provided otherwise in a tariff or contract. Each bill shall show the issuance or billing date. In addition, the dates of service on the electric bill will indicate the dates that the member's electric meter was read.

All electric bills are payable upon receipt and due no later than sixteen (16) days from the date issued. If the sixteenth day is a weekend or holiday, the bill will be due and payable on the first business day following the sixteenth day.

In the event that a member's account is not paid within sixteen (16) days from the billing date, proper notice shall be mailed to the delinquent member. Proper notice shall consist of a separate mailing at least ten (10) days prior to its stated date of disconnection, with the words termination notice or similar language prominently displayed on the notice. In addition, the member's account will be assessed a 5% late penalty.

The cutoff day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth day. The Cooperative shall not issue termination notices to members earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to process mailed payments.

If payment or other satisfactory arrangements are not made, then the account is subject to be disconnected at the expiration of ten (10) days from the date of the termination notice.

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If for any reason the member feels the notice is incorrect, he/she has a right to contest the notice by communicating such request to the Cooperative prior to the expiration of the ten (10) day grace period extended by the notice.

When the serviceman calls to disconnect the service, a collection fee shall be added to the account. At the time the serviceman calls to disconnect the service, if the member desires at the time to continue service, the member shall at that time be required to pay all arrears, including a collection fee of \$20.00. In the event this payment is not made, the service shall be disconnected. Before service may be restored to the member, the payment of the account's arrears plus a \$20.00 collection fee plus a \$20.00 reconnection charge shall be paid before service is reconnected.

Should a member request to reconnect service after normal business hours, an additional \$60.00 shall be paid prior to the service being reconnected.

The Cooperative will not reconnect service after 8:30 p.m. or before 8:00 a.m.

### (1) Deferred Payment Plan

The Cooperative will offer, upon request, a deferred payment plan to any residential consumer who has expressed an inability to pay all of his/her bill, if that consumer has not been issued more than two termination notices at any time during the preceding 12 months. In other cases, the Cooperative may offer a deferred payment plan to residential consumers.

- (a) Every deferred payment plan entered into, due to the consumer's inability to pay the outstanding bill in full, shall provide that service will not be discontinued if the consumer pays current bills and a reasonable amount of the outstanding bill and agrees to pay the balance in reasonable installments until the bill is paid. A payment of not more than one-third of the total deferred amount may be required as a reasonable amount under this paragraph.
- (b) For purposes of determining reasonableness, the following shall be considered:
  - (i) size of the delinquent account;
  - (ii) member's ability to pay;
  - (iii) member's payment history;

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(iv) time that the debt has been outstanding;

- (v) reasons why debt has been outstanding;
- (vi) any other relevant factors concerning the circumstances of the member.
- (c) If the deferred payment plan is reduced to writing, it will state immediately preceding the space provided for the member's signature, and in boldface print at least two sizes larger than any other used thereon, that:

"If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the Cooperative immediately and do not sign this contract. If you do not contact the Cooperative, or if you sign this agreement, you give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement."

- (d) A deferred payment plan may include a five percent (5%) charge for late payment but will not include a finance charge.
- (e) If a member has not fulfilled the terms of a deferred payment plan, the Cooperative will have the right to disconnect service. However, the Cooperative will not disconnect service until a disconnect notice has been issued to the consumer indicating the member has not met the terms of the plan. Under such circumstances, the Cooperative may, but will not be required to offer subsequent negotiation of a deferred payment agreement plan prior to disconnection.
- (f) The Cooperative will not refuse a member's participation in such a program on the basis of race, color, creed, sex, age, nationality, marital status, or disability.
- (g) A deferred payment plan may be made by visiting the Cooperative's business office or by contacting the Cooperative by telephone. If the member visits the Cooperative's business office, the Cooperative will ask the member to sign the deferred payment agreement. The Cooperative will provide the member with a copy of a signed agreement. If the agreement is made over the telephone, the Cooperative will send a copy of the agreement to the member.

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(h) If the member's economic or financial circumstances change substantially during the time of the deferred payment plan, the Cooperative may renegotiate the deferred payment plan with the consumer, taking into account the changed economic and financial circumstances of the member.

(i) The Cooperative is not required to enter into a deferred payment plan with any member who is lacking sufficient credit or a satisfactory history of payment for previous service when that member has had service from the Cooperative for no more than three months.

### (2) Overbilling and Underbilling

If billings for cooperative service are found to differ from the Cooperative's lawful rates for the services being purchased by the consumer, or if the Cooperative fails to bill the member for such service, a billing adjustment will be calculated by the Cooperative. If the member is due a refund, an adjustment shall be made for the overcharges. If an overcharge is adjusted by the Cooperative within three billing cycles of the bill in error, interest will not accrue. Unless otherwise provided in this section, if an overcharge is not adjusted by the Cooperative within three billing cycles of the bill in error, interest will be applied to the amount of the overcharge at the rate set by the Cooperative from time to time. Interest on overcharges that are not adjusted by the Cooperative within three billing cycles of the bill in error will accrue from the date of payment. Interest will not apply to leveling plans or estimated billings that are authorized by statute or rule. Interest will not apply to undercharged amounts unless it is found that a meter of the Cooperative has been tampered with, by-passed or diverted in such a manner as to change in any way the usage. Interest on undercharged amounts will accrue from the day the member is found to have first tampered, bypassed or diverted. If the member was undercharged, the Cooperative may back bill the member for the amount which was under billed. The back billing will not exceed six (6) months unless the Cooperative can produce records to identify and justify the additional amount of back billing or unless such undercharge is a result of meter tampering, bypass, or diversion by the member. However, the Cooperative will not disconnect service if the consumer fails to pay charges arising from an underbilling more than six months prior to the date the Cooperative initially notified the consumer of the amount of the undercharge and the total additional amount due unless such undercharge is a result of meter tampering, bypassing, or diversion by the member. If the underbilling is \$25.00 or more, the Cooperative will offer to such member a deferred payment plan option for the same length of time as that of the underbilling. In cases of meter tampering, bypass, or diversion, the Cooperative may, but is not required to, offer a member a deferred payment plan.

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If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Incorporated, proper correction will be made of previous readings for the period of six months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding six months, as the meter has been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Cooperative except to the consumer last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the Cooperative will make a charge for units used, but not metered, for a period not to exceed three months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

#### (3) Estimated Bills

When there is good reason for doing so, the Cooperative may submit estimated bills provided that an actual meter reading will be taken every three months.

### (4) Disputed Bills

- (a) In the event of a dispute between a member and the Cooperative regarding any bill for service, the Cooperative will promptly make such investigation as will be required by the particular case, and report the results thereof to the member.
- (b) Notwithstanding any other section of these rules, the member will not be required to pay the disputed portion of the bill which exceeds the amount of the member's average monthly usage at current rates pending the completion of the determination of the dispute, but in no event more than sixty (60) days. The member's average monthly usage at current rates will be the average of the member's gross cooperative service for the preceding twelve (12) month period. Where no previous usage history exists, consumption for calculating the average monthly usage will be estimated on the basis of usage levels of similar members and under similar conditions.

#### T. OVERHEAD LINE EXTENSION

An applicant desiring overhead electrical service from the Cooperative shall become a member of the Cooperative by agreeing to the terms and conditions of membership and pay a connect fee of \$25.00.

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If no service exists at the requested location, the following guidelines shall apply:

Any overhead single-phase line extension of 250 feet or less requires no additional charge.

An overhead single-phase line extension greater than 250 feet requires an aid in construction contribution paid to the Cooperative in the amount of \$2.00 per foot.

Also, if three-phase service is desired, any overhead three-phase line extension greater than 250 feet shall require an aid in construction contribution paid to the Cooperative of \$3.75 per foot.

Any right-of-way clearing requires an additional \$3.25 per foot for heavy timber and \$1.50 per foot for light or medium timber paid to the Cooperative and is not refundable.

Each applicant should secure his own right-of-way, whenever possible, or assist Wood County Electric Cooperative in securing right-of-way easements when needed.

Any member making a line construction contribution to the Cooperative will be entitled to a refund (not to exceed the original contribution) of up to \$200.00 per new member connecting to the new line. Up to 100% of the original contribution, excluding contribution for right-of-way clearing, may be refunded within a three (3) year period. After the three (3) year period has elapsed all unreturned line construction contribution will revert to the Cooperative.

Should permanent residency be established within a three (3) year period the Cooperative will refund any aid-in-construction contribution for line constructed between 250 feet and that allowed for the average investment per consumer.

It shall be the responsibility of the original contributor to notify the Cooperative when an additional member or members are added to this line and he becomes eligible for a refund.

Any other construction cost options will be explained to the member following assessment.

#### U. UNDERGROUND LINE EXTENSION

An applicant desiring underground electrical service from the Cooperative shall become a member of the Cooperative by agreeing to the terms and conditions of membership and paying an applicable connect fee.

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If no service exists at the requested location, the following guidelines shall apply:

Any underground line extension of 250 feet or less (utilizing secondary voltage) requires no additional charge.

Any underground single phase line extension of greater that 250 feet (requiring primary voltage) requires an aid in construction of \$1.25 per foot for the first 250 feet and \$3.25 per foot thereafter.

Any underground three-phase line extension of greater than 250 feet (requiring primary voltage) requires an aid in construction of \$3.00 per foot for the first 250 feet and \$6.75 per foot thereafter.

Each applicant should secure his own right-of-way or assist Wood County Electric Cooperative in securing right-of-way easements.

Any member making a line construction contribution to the Cooperative will be entitled to a refund (not to exceed the original contribution) of up to \$200.00 per new member connecting to the new line. \$1.25 per foot of the single-phase underground line contribution and \$3.00 per foot of three-phase underground line contribution is non-refundable. Any contribution for right-of-way clearing is non-refundable. Up to 100% of all other contributions may be refundable within a three (3) year period. After the three (3) year period has elapsed all unreturned line construction contribution will revert to the Cooperative.

Should permanent residency be established within a three (3) year period, the Cooperative will refund line construction contribution for all line construction equal to the average investment per consumer.

It shall be the responsibility of the original contributor to notify the Cooperative when an additional member or members are added to this line and he becomes eligible for a refund.

- (1) The Cooperative will provide and install a 100 or 200-ampere meter base, as required, on any pole that would normally be installed in the course of construction when such service is to be a part of a member's underground service installation. The pole service so installed by the Cooperative will be complete from the weatherhead through a meter socket.
  - (a) The Cooperative shall supply the underground cable or conductor and the member shall complete the installation of the underground portion of the

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service, beginning at the meter base on the pole, with the installation of conductor no smaller than three (3) No. 2 copper or three (3) No. 0 aluminum for 100 amperes or with three (3) No. 000 copper or three (3) No. 0000 aluminum for 200 amperes in full accord with the wiring specifications of the National Electrical Code. The member shall maintain the underground portion of the service.

- (b) Conductor shall be protected from mechanical injury beginning at the protected equipment on the pole and extending along the service of the pole to a depth equal to the depth of burial in a manner approved by the National Electrical Safety Code. Conductor shall, in a similarly approved manner, be protected from mechanical injury when entering the building. Protection shall extend to the enclosure of the building service equipment.
- (c) Minimum depth of burial shall be 24 inches.
- (d) The maximum length of underground conductor or cable supplied to the member under the above shall be 250 feet. Should a greater length of cable or conductor be required, the member shall make a nonrefundable contribution in aid of construction to defray excess cost.
- (e) The Cooperative will provide diagrams and instructions pertaining to the proper installation of the conductor or cable for member information.
- (f) All such payments or financial arrangements satisfactory to the Cooperative shall be made prior to the installation of any facility.
- (2) If an individual residential member requests the Cooperative to convert an existing overhead service to underground, the same conditions with respect to the Cooperative supplying underground cable or conductor with the member installing and maintaining this cable as outlined in previous paragraphs shall apply. When a member requests the Cooperative to convert an existing overhead service to underground (or underground to overhead) the member shall pay the Cooperative:
  - (a) The estimated differential in cost between underground and overhead facilities;
  - (b) The depreciated original cost of any existing overhead (or underground) facilities adequate to serve the load less the estimated value of salvage;
  - (c) The estimated cost of removing such overhead (or underground) facilities;

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(d) All such payments or financial arrangements satisfactory to the Cooperative shall be made prior to the installation of any facility;

- (e) In all cases where new installations or alterations and additions to existing installations are to be made, the Cooperative shall be consulted as to the location of all service connections and/or meters and metering equipment. The Cooperative shall also be consulted regarding the size and character of load to be connected or added and the characteristics of service to be supplied.
- (f) In the event physical conditions prevent Cooperative equipment from digging a ditch for underground service, the Cooperative shall consult with the prospective member on alternatives. The alternatives shall be to allow the member/applicant to dig his own ditch or to allow the Cooperative to construct an overhead power line.

If a line extension is required by other than a large industrial or commercial electric member-consumer or if facilities are not available, the Cooperative shall inform the member within ten (10) working days of receipt of the application, giving the member an estimated completion date.

Any other construction cost options shall be explained to the member following assessment.

### V. RETURNED CHECK DISPOSITION

Any member who submits a payment on an account by writing a check or by bank draft will be charged a \$20.00 handling charge plus any applicable bank charges for each check or bank draft that is returned to the Cooperative due to insufficient funds.

The member will be notified by the Cooperative that as a result of his/her check being returned that their account is considered unpaid. Members receiving such notice must clear their accounts affected by the returned check within five days or service is subject to be disconnected for non-payment.

In the event that two such checks are given by a member in a six (6) month period, said member will be notified and placed on a cash basis for the next twelve (12) months. Then, after the twelve (12) month suspension, any other returned check could cause this member to be placed on a cash basis permanently.

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This cash basis shall be defined as payment by cash, money order, cashier's check, or credit card only. In addition, any member suspended from issuing the Cooperative personal or business check will have any such check returned without endorsement and his account will remain unpaid.

#### W. MISCELLANEOUS SERVICE CHARGES

WCEC is asked from time to time to perform additional services for members that are not included in the rates for electric utility service. The following miscellaneous service charges will be applied when such service is requested.

(1) Charge for member requesting a light switch for an existing vapor light \$25.00

(2) Charge for assisting member on locating a fault in underground secondary cable on the member's side of the meter after normal business hours

(3) Charge for changing out an M8-10 meter base or underground meter base to accommodate an additional underground secondary cable for a shop, well, barn, etc. \$75.00

#### X. METERS AND METER TESTING

#### (1) <u>SCOPE</u>

This section establishes the performance criteria for the various metering devices in use or expected to be used by the Cooperative to measure electric energy supplied to its members.

#### (2) <u>RESPONSIBILITY OF THE COOPERATIVE</u>

The Cooperative shall have the responsibility of insuring that no permanently installed meter is placed in service or is allowed to remain in service unless its accuracy requirements are within the requirements established by the Commission and the American National Standard Code for Electricity Metering (ANSI C12).

#### (3) DEFINITIONS

(a) <u>Accuracy</u>. The extent to which a given measurement agrees with the defined value.

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(b) <u>Creep.</u> A continuous motion of the rotor of a meter with normal operating voltage applied and the load terminals open-circuited. (The rotor (disk) is to stop turning when all load on the member's side of the meter has been disconnected.)

- (c) <u>Demand Meter</u>. A metering device that records the demand or both the demand and the kilowatt-hour usage.
- (d) <u>Watt-hour Meter</u>. A metering device that records the electric energy delivered to the member and is usually measured in kilowatt-hours.

#### (4) ACCURACY REQUIREMENTS FOR METERS.

- (a) Watt-hour meters are to be considered acceptable when the meter disk does not creep, and when the percentage registration is not more than 102% or less than 98%.
- (b) Demand meters shall be considered performing within accepted accuracy standards when the error in registration does not exceed 4% in terms of full-scale value when tested at any point between 25% and 100% of full-scale value.
- (c) Meters shall be adjusted as closely as practicable to the condition of zero error. The tolerances specified above only allow for necessary variations.

#### (5) METER TESTING AT MEMBER'S REQUEST

- (a) Each member of the Cooperative may, as he deems necessary, request that a meter test be conducted. One such test will be conducted without charge to the member every four years. Any additional tests, conducted at the member's request and if the meter tested is found to be within the accuracy standards described above, will require the member to remit a \$25.00 service charge to the Cooperative.
- (b) Any member requesting that a meter test be conducted, may, if he desires, make arrangements with the Cooperative to have the test performed at a time when either he or his authorized representative will be available to observe the test. Meter testing will be restricted to the Cooperative's normal business hours, 8 A.M. to 5 P.M., Monday through Friday.
- (c) Meter tests will be conducted on the member's premises whenever possible.

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(d) Promptly following the completion of any requested meter test, the Cooperative will advise the member of the date of the test, the result of the test, what agency made the test, and if applicable the date of removal of the meter.

#### (6) BILL ADJUSTMENT DUE TO METER ERROR.

If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Incorporated, proper correction will be made as provided in the Overbilling and Underbilling section.

### Y. SWITCHOVER POLICY

- (1) Changing Electric Service to Another Electric Service Provider
  - (a) Eligibility Members of the Cooperative who are located in an area "Multiply Certificated" by the Public Utility Commission of Texas (PUCT).
  - (b) Request for Change The consumer of the Cooperative shall make a request of the Cooperative in writing, stating the date service is to be terminated, and the member's Cooperative account number.
  - (c) Retail Electric Service Switchover A request to switch service currently provided by the Cooperative to a consuming facility to another Electric Service Provider that has the right to serve the facility shall be handled pursuant to PUCT Substantive Rule §25.27, a copy of which will be provided upon request.
  - (d) Charges:
    - (i) Base Charge of \$155.00;
    - (ii) Base Charge Adder of \$35.00.
- (2) Changing Electric Service to the Cooperative
  - (a) Eligibility Consumers in areas designated as "Multiply Certificated" by the PUCT where electric service is being provided to a consumer by another Electric Service Provider other than the Cooperative and where the Cooperative is Multiply Certificated to serve the consumer.

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(b) Request for Change – The consumer shall notify the Cooperative of the desire to change electrical service. The consumer shall notify the Electric Service Provider presently providing service, of his or her desire to change service providers. The consumer shall provide evidence that he or she has satisfactorily complied with the switchover tariff or other applicable requirements of the Electric Service Provider presently providing retail electric service or distribution or "wires" service.

(c) Charges – Service shall be extended to the consumer upon the payment of all applicable charges.

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#### Z. SMALL POWER PRODUCTION AND COGENERATION UNDER 100 KW

#### (1) <u>INTRODUCTION</u>

The Cooperative will, in conformity with the requirements of law, interconnect with, purchase electricity from, and sell electricity to generating installations which are "qualifying facilities" as defined in Federal Energy Regulatory Commission Rules under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978. For generating installations having a designed capacity in excess of 100 KW, the terms for interconnection, parallel operation, and any sale or purchase of electricity shall be individually negotiated and approved by the Board of Directors. Generating installations shall not be subsidized by other members and shall be required to operate in a manner which does not degrade the service to others.

For generating installations having a designed capacity of 100 KW or less, the Cooperative has a standard tariff on file at its office in Quitman, Texas. The general manager of the Cooperative is authorized to act on behalf of the Cooperative in accordance with such tariff.

#### (2) SMALL POWER PRODUCTION AND COGENERATION

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

#### (3) <u>OBTAINING INTERCONNECTION</u>

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

#### (a) COMPLY WITH TARIFF

Apply for interconnection, provide an easement satisfactory to the Cooperative, and otherwise comply with the requirements established through negotiation with the Cooperative's manager.

#### (b) PROVIDE INFORMATION

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At least 60 days in advance of interconnection, Producer shall submit a plan showing the electrical design of the generating installation including equipment for interconnection with the Cooperative's system. Producer shall also provide such information as may be required by the Cooperative. In the event Producer's plan involves the use of nonstandard equipment or design techniques, the Cooperative may require such plan be approved by a registered professional engineer. Any review or acceptance of such a plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the cost-effectiveness, safety, durability or reliability of efficiency, generating installations, plus other factors considered important by the Cooperative's manager in each individual situation.

#### (c) PAY FOR EXTENSION OF COOPERATIVE'S FACILITIES

Comply with conditions for extension of the Cooperative's distribution system as may be determined by the Cooperative in accordance with the following extension policy:

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

The Cooperative may require Producer to pay contribution in aid-inconstruction, advance for construction, or increased annual or monthly minimums and may require a contract term of up to five years.

#### (d) PROVIDE LIABILITY INSURANCE

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Furnish a certificate from Producer's insurance carrier showing satisfactory liability insurance including contractual liability insurance covering indemnity agreements which insures Producer against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation and maintenance of the Producer's generating equipment.

The amount of such insurance coverage shall be at least \$1,000,000.00 per occurrence. The certificate shall also provide that the insurance policy will not be changed or canceled during its term without thirty (30) days written notice to the Cooperative.

#### (e) <u>SIGN CONTRACT</u>

Sign and deliver to the Cooperative an Agreement for Interconnection and Parallel Operation of a Cogeneration or Small Power Production Installation; 100 KW or Less, the form of which has been approved by the Cooperative.

### (f) COMPLETE CONSTRUCTION

Construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations.

#### (g) <u>COMPLY WITH LAWS</u>

Comply with applicable Federal, State, and local laws, ordinances and regulations applicable to power generating installations.

### (h) NOTIFY COOPERATIVE

Notify the Cooperative in writing at least thirty (30) days in advance of energizing the small generating installation and permit the Cooperative to inspect and test protective equipment.

#### (i) ELIMINATE CONDITIONS PREVENTING INTERCONNECTIONS

In the event that it comes to the attention of the Cooperative that there are conditions preventing safe interconnection and proper parallel operation, it shall notify Producer and Producer shall not interconnect and/or initiate

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parallel operation until such conditions are corrected and Producer has provided at least ten (10) days written notice to Cooperative.

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

#### (4) PARALLEL OPERATION

#### (a) INSTALLATION

With the exception of only the Cooperative's meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance and operation of the power generating installation at and beyond the point where Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations and prudent engineering practice.

### (b) <u>SELF PROTECTED GENERATING INSTALLATION</u>

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

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

### (c) QUALITY OF SERVICE

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

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

#### (d) <u>SAFETY DISCONNECT</u>

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

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

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#### (e) ACCESS

Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering. Such entry to the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

#### (f) MODIFICATION OF COOPERATIVE SYSTEM

In the event that it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify its electric distribution system in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Cooperative for all just and reasonable costs of modifications which are allocable to the Producer's small power generating installation. The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices or upgrading of distribution system components.

#### (g) <u>LIABILITY FOR INJURY AND DAMAGES</u>

Producer assumes full responsibility for electric energy furnished to him at and past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Producer arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Producer's generating installation except (1) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Producer or to employees of Producer or in the case of a residential member/Producer, to all members of the household and (2) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (A) any negligence of Cooperative or its agent(s) independent of and unrelated to the maintenance of Cooperative's facilities or any provision of any contract regarding purchase and/or sale of electrical energy or service between Cooperative and Producer.

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The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission, tribunal, independent system operator, independent organization, regional transmission organization, or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

### (h) <u>METERING</u>

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

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

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Producer or the Cooperative may reasonably request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests.

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If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any test shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the test for a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the Cooperative and the Producer.

#### (i) NOTICE OF CHANGE IN INSTALLATION

Producer will notify the Cooperative in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If it comes to the Cooperative's attention that the modification will create or has created conditions which may be unsafe or adversely affect the Cooperative's system then it shall notify Producer and Producer shall immediately correct such condition.

### (j) <u>INSURANCE</u>

Producer shall continue to maintain insurance as required by the Cooperative prior to interconnection and shall provide proof of such insurance to the Cooperative at least annually.

#### (5) <u>SALES TO PRODUCER</u>

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

#### (6) PURCHASE FROM PRODUCER

#### (a) RATE

The Cooperative will pay Producer for all power purchased at the following rates:

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(i) Capacity - No payment except by separate firm power contract between the Producer and the Cooperative.

(ii) Energy - The metered KWH output from the Producer will be purchased at the Cooperative's total energy and fuel cost divided by the total KWH's purchased as calculated from the most recent wholesale power bill.

In the event that the Producer exercises the option to sell power to the Cooperative, there will be, in addition to the minimum bill requirements under the applicable service rate schedule(s), a service charge of \$15.00 per month for metering and billing.

#### (b) REFUSAL TO PURCHASE

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer's facility on the Cooperative's system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Cogeneration and Small Power Installation: 100 KW or less.

#### (7) <u>DEFINITIONS</u>

# (a) <u>POWER GENERATING INSTALLATION, GENERATING INSTALLATION</u>

Means a small power production or cogeneration facility which is a "qualifying facility" under Subpart B of the Federal Energy Regulatory Commission's Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978 including any generator and associated equipment, wiring, protective devices, or switches owned or operated by Producer.

#### (b) PRODUCER

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

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