

SAM HOUSTON ELECTRIC COOPERATIVE, INC.

MEMBER POLICIES AND SCHEDULES

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SECTION I SERVICE RULES AND POLICIES

1.1 GENERAL INFORMATION

Introduction

These Service Rules and Policies and the Line Extension Policy contained herein shall be considered “Member Policies.” The “Fee Schedules” and “Rate Schedules” (collectively “Schedules”) and Member Policies contained herein establish the policies, rules, fees, and rates applicable to receiving “Electric Service” (as defined in the Bylaws) or “Service.”

All Schedules are subject to the terms and conditions set forth in the Member Policies. In case of a conflict between any Schedule and any Member Policy, the Schedule provisions shall apply. Terms defined in the context of the Member Policies shall have the same meaning in the Schedules and terms defined in the context of the Schedules shall have the same meaning in the Member Policies.

Description of Operations

Sam Houston Electric Cooperative, Inc. (“Cooperative”) purchases electricity wholesale and distributes it to Members in all or part of sixteen (16) incorporated municipalities, and to all or part of ten (10) East Texas counties.

Statement of Non Discrimination

The Cooperative shall not discriminate on the basis of race, color, nationality, religion, sex, marital status, disability, income level, or legal source of income and shall not unreasonably discriminate based on geographic location.

1.2 MEMBERSHIP TERMS AND CONDITIONS

A “Person” (as defined in the Bylaws) shall become a “Member” of the Cooperative and establish a “Membership” (as defined in the Bylaws) by requesting Electric Service. By requesting Electric Service a Member agrees to:

1. be a Member of the Cooperative and purchase Electric Service from the Cooperative;
2. comply with and be bound by the “Governing Documents” (as defined in the Bylaws);
3. provide the Cooperative access to or use of “Member Property” (as defined in the Bylaws) for the purpose of: (a) restoration efforts; (b) addressing an emergency situation; and (c) for any other reasonable purpose required to provide Electric Service; and
4. in partial consideration for providing Electric Service, pursuant to “Law” (as defined in the Bylaws) and any terms and conditions specified by the Cooperative, grant or convey to the Cooperative a written easement, right-of-way, or license for use of Member Property as necessary and as reasonably agreed upon between the Cooperative and the

Member for the purpose of providing Electric Service to the Member or one or more other Members.

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

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

The Cooperative may waive any terms or conditions of Electric Service and provide Electric Service to a Member under or by other terms and conditions that reflect sound cooperative business practice.

The Cooperative may refuse to provide Electric Service if: (1) a Member has engaged in any fraudulent scheme or act to avoid amounts due the Cooperative, including the use of another name or legal entity; or (2) a Member's installation or equipment is known to be hazardous or of such character that Electric Service cannot be provided in a safe manner as determined by the Cooperative.

1.3 ACCOUNTS - CREDIT/DEPOSIT

Accounts

A Member may establish a “Credit Account” for receiving Electric Service upon the Cooperative determining that a Member has a credit rating satisfactory to the Cooperative or by providing a deposit as provided herein.

As an alternative to establishing credit or providing a deposit a Member may establish a Prepaid Account with the Cooperative for receiving Electric Service. A Prepaid Account is available for Electric Service classified under the Rate Schedules specified in the Prepaid Metering Program rider and is subject to the balance requirements and other conditions provided in the Prepaid Metering Program rider.

The term “account” shall apply to both a Credit Account and a Prepaid Account in these Member Policies.

Deposits

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

Deposit Amount

A deposit for Electric Service may not exceed one-sixth (1/6) of the estimated annual charges for such Electric Service.

Additional Deposits by Existing Members

Additional deposits may be required under the following conditions:

1. if after review of a Member’s Credit Account, the Cooperative has determined that a Member’s actual use of Electric Service is at least twice the amount the Cooperative originally estimated that it would be;
2. a Member’s Credit Account has been delinquent more than twice within the previous twelve (12) months;
3. Electric Service has been discontinued for non-payment within the previous twelve (12) months; or
4. a Member commits fraud against the Cooperative to avoid payment of any amounts due the Cooperative.

If a requested deposit is not paid within twenty (20) days from the date requested then the Credit Account shall be considered delinquent in accordance with the Member Policies and Schedules. The Cooperative, at its option may offer an installment payment plan to collect a deposit.

Deposit Exemptions

A Member may not be required to submit a deposit by:

1. providing a letter of credit from the Member's previous electric utility confirming that:
(a) the Member has been a customer of the utility, for the same type of service, within the previous two (2) years; (b) the Member is not delinquent on any account with the electric utility; (c) the Member's account with the electric utility was not delinquent more than two (2) times during the previous twelve (12) months; and 4) the Member never had Electric Service discontinued by the electric utility for a delinquent account;
2. providing proof that someone at the Member's location is medically indigent by demonstrating annually that the Member's household income is at or below 150% of the poverty guidelines as certified by a governmental agency/program. In order to do so a physician must certify that: (a) the Member or the Member's spouse is unable to perform three or more activities of daily living as defined in the Texas Administrative Code; or (b) the Member's monthly out-of-pocket medical expenses exceed 20% of the household's gross income;
3. having a Credit Account with the Cooperative that has not been delinquent more than two (2) times in the previous twelve (12) months and not had Electric Service discontinued for a delinquent account;
4. being over 65 years of age and not have a delinquent account with the Cooperative or any other electric utility within the previous two (2) years;
5. providing proof of being a victim of family violence. Such proof shall be satisfied by submission of a certification letter from the Texas Council on Family Violence or other similar governmental entity; or
6. proving financial responsibility in another way, if approved by and acceptable to the Cooperative.

Information Concerning Deposits

At the time a deposit is required, the Cooperative shall provide Members with the following information about deposits:

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

Deposit Records

The Cooperative shall maintain deposit records containing the following information:

1. the name and address of each depositor;
2. the Member Credit Account to which the deposit applies;
3. the amount and date of the deposit; and
4. each transaction concerning the deposit.

Interest on Deposits

Deposit shall accrue interest at an annual rate determined by the Public Utility Commission of Texas ("Commission"). If a deposit is refunded within thirty (30) days of the date of deposit then no interest payment is required. If the Cooperative keeps the deposit more than thirty (30) days, payment of the interest shall be calculated from the date of deposit. Payment of interest to a Member shall be made at the time the deposit is returned or credited to a Member's Credit Account. The deposit shall no longer accrue interest on the date it is returned or credited to a Member's Credit Account.

Refund of Deposit

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

1. the Member's Credit Account is no longer receiving charges from the Cooperative and the Credit Account is paid in full; or
2. the Member's Credit Account: (a) has not been delinquent more than two (2) times in the previous twelve (12) months for residential or twenty-four (24) months for non-residential; (b) has not been discontinued for non-payment in the previous twelve (12) months for residential or twenty-four (24) months for non-residential; and (c) is not currently delinquent.

The Cooperative may allow a Member that transfers Electric Service from one location to another within the Cooperative's service area to apply any excess deposit towards any deposit required for the location to which Electric Service is being transferred.

1.4 BILLING

Monthly Billing

Every month, the Cooperative shall render a bill for each Credit Account held by a Member. The bill shall reflect the total amount due on a Credit account, including charges for Electric Service used and any other amounts that may be due the Cooperative.

A bill for Electric Service used and any other amounts that may be due the Cooperative for a Member with a Prepaid Account will not be issued by the Cooperative. A Member with a Prepaid Account may obtain billing information, including charges for Electric Service, other amounts that may be due the Cooperative, and Prepaid Account balances may be obtained through the Cooperative's payment portals and/or other remote access channels.

Estimated Billing

When there is good reason for doing so, the Cooperative may estimate the amount of Electric Service used in order to calculate the amount due on an account, provided that an actual meter reading shall be taken every three (3) months for a Credit Account.

Failure to Receive Bill

Upon request, the Cooperative shall advise a Member of the Due Date and amount due on a Credit Account and shall issue a duplicate bill. However, failure to receive a bill shall not be considered sufficient reason for not paying an amount due by the Due Date or a waiver of an amount due.

Disputed Bills

If there is a dispute between a Member and the Cooperative regarding the amount due on a Credit Account for Electric Service, the Cooperative shall investigate the disputed amount and report the results to the Member. A Member's Electric Service shall not be discontinued for failure to pay a legitimate disputed amount, as determined by the Cooperative, until the Cooperative resolves the dispute; however, the Member is still required to pay any amount due on a Credit Account that is not in dispute.

Trip Fee

A fee may be assessed for any unnecessary trips to a Member's location resulting from a Member's actions, including any trips resulting from an erroneously reported outage where the Cooperative was not at fault.

1.5 ACCOUNT ADJUSTMENTS

If the Cooperative finds that the amount due on a Member's account has been calculated incorrectly, the account shall be adjusted as follows:

1. If a Member's account is entitled to a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by the Cooperative within three (3) months of the error, interest shall not accrue. Unless otherwise provided in this section, if an overcharge is not adjusted by the Cooperative within three (3) months of the error, interest shall be applied to the amount overcharged at the annual rate established by the Commission.
2. If a Member's account is under-billed because of a failure to receive meter readings, faulty metering equipment, or other circumstances resulting in unreported use, the Cooperative shall estimate the under-billed amount and adjust the Member's account accordingly for up to six (6) months of under-billing. The Cooperative may, however, bill for more than six (6) months of under-billing if it can produce records to identify and justify the additional amount. If the Member owes more than \$50 in under-billed amounts then the Cooperative may make other payment option arrangements with the Member consistent with the Member Policies and Schedules.
3. If a Member's account is under-billed due to theft by the Member then the Cooperative may bill the Member for the entire duration of the theft and the Cooperative may charge interest on the entire under-billed amount.

The Cooperative shall not be obligated to make account adjustments to accounts in subsequent months which were due to variations in meter reading dates, estimated meter readings which were beyond the control of the Cooperative, or for Members who use the Average Billing Plan.

1.6 PAYMENT AND COLLECTION

Payment is due and a Member's Credit Account shall be considered delinquent if the Cooperative does not receive payment on the date required by the bill ("Due Date"). If the Due Date falls on a holiday or weekend, then the Due Date for payment purposes shall be the next business day. Delinquent Credit Accounts may incur a late fee, interest charges, or other penalties and fees. A Member shall be responsible for any collection costs associated with a delinquent account incurred by the Cooperative in addition to the Cooperative's routine collection efforts.

The Cooperative shall subtract from a Member's Prepaid Account balance the amounts for Electric Service used and any other amounts that may be due the Cooperative. Balance requirements and other conditions of Electric Service for a Member with a Prepaid Account are addressed in the Prepaid Metering Program rider.

1.7 PAYMENT OPTIONS FOR CREDIT ACCOUNTS

Deferred Payment Plan

A “Deferred Payment Plan” is any agreement in writing between the Cooperative and a Member by which a delinquent Credit Account is paid in installments that extend beyond the Due Date of the next bill. Upon request, the Cooperative may offer a Deferred Payment Plan to any Member that is unable to pay on a Credit Account that has not been delinquent more than two (2) times during the previous twelve (12) months. The Member must pay all current amounts due each month on the Credit Account plus the agreed upon portion of the deferred amount. Failure to fulfill the terms of a Deferred Payment Plan shall render the Credit Account delinquent. The Cooperative may decline to offer a Deferred Payment Plan if, in the Cooperative’s judgment, the Member is lacking sufficient credit worthiness or a satisfactory history of payment to warrant further extension of credit.

1.8 DISCONTINUANCE OF ELECTRIC SERVICE

Disconnection Requested by Member

Discontinuance of Electric Service or “Disconnection” may be requested by a Member at any time. A Member shall notify the Cooperative a minimum of three (3) business days prior to the Disconnection date or the date Electric Service shall be discontinued. A Member shall be responsible for any amounts resulting from the use of Electric Service at the location within three (3) days of the Disconnection date.

Disconnection with Notice

A “Disconnection Notice” shall be mailed, as a separate mailing, at least ten (10) days prior to the stated Disconnection date and notify a Member of all amounts due the Cooperative to avoid Disconnection. The stated Disconnection date shall only fall on a business day and the Cooperative may discontinue Electric Service on any business day after the stated Disconnection date. Electric Service may be discontinued after a Disconnection Notice has been provided for any of the following reasons:

1. a Member’s Credit Account is delinquent;
2. a Member fails to comply with the terms and obligations of any payment options arranged with the Cooperative;
3. a Member fails to adhere to or violates any of the terms and conditions of the Member Policies or Schedules; or
4. Any other lawful reason.

Disconnection without Notice

The Cooperative may discontinue Electric Service without a Disconnection Notice for any of the following reasons:

1. when the Cooperative discovers that Electric Service is being obtained in any unlawful manner;
2. if the Cooperative determines that an unsafe or potentially dangerous condition exists for as long as the condition exists;
3. any other lawful reason; or
4. a Member's Prepaid Account balance reaches \$0.

Disconnection on Holidays or Weekends

Unless a dangerous condition is discovered by the Cooperative, Disconnection shall only occur on a business day when sufficient and appropriate Cooperative personnel are available for making collections and to restore or reconnect Service.

Disconnection during Extreme Weather

Disconnection for nonpayment shall not occur during extreme weather events. An "Extreme Weather Event" is when:

1. the previous day's temperature did not exceed 32 degrees Fahrenheit and the National Weather Service ("NWS") reports that it shall not do so for the next twenty-four (24) hours;
2. there is currently a heat advisory issued by the NWS; or
3. a heat advisory has been issued by the NWS on one of the previous two (2) days.

Liability for Discontinuing Service

If a Member's Electric Service is discontinued for any reason under no circumstance shall the Cooperative be liable for losses incurred by a Member resulting from the Disconnection.

Payment Arrangement Plan

A "Payment Arrangement Plan" is any agreement between the Cooperative and a Member by which a delinquent Credit Account may be paid in full after the Due Date of the delinquent bill but before the Due Date of the next bill. Failure to fulfill the terms and obligations of a Payment Arrangement Plan shall render the Credit Account delinquent.

Levelized Payment Plan

A "Levelized Payment Plan" allows a Member to pay, each month, one-twelfth of the Member's estimated annual Credit Account balance for the twelve (12) months going forward. The Levelized Payment Plan is only available to Members with Credit Accounts for residential Electric Service who meet one of the deposit exceptions. Eligible Members may enroll at any time with

participation beginning the month after enrollment. At the end of the twelve (12) month period, or more frequently as needed, the Member's Credit Account shall be recalculated to reflect actual past Electric Service usage. The Levelized Payment Plan may be cancelled by either the Member or the Cooperative upon notification to the other party. Upon cancellation, the accumulated balance of the Member's Credit Account shall become due and payable. Failure to fulfill the terms and obligations of a Levelized Payment Plan shall render the Credit Account delinquent.

1.9 RECONNECTION OF ELECTRIC SERVICE

The Cooperative shall restore or reconnect Electric Service after a Member has: (1) paid in full any delinquent amounts; (2) paid any other fees or charges due or required by the Cooperative; and/or (3) remedied any conditions meriting Disconnection. If a Member remedies the reason for Disconnection, to the Cooperative's satisfaction, and pays any amounts due the Cooperative in full then Electric Service shall be reconnected or restored.

1.10 MEMBER EQUIPMENT

Point of Delivery

The "Point of Delivery" shall be that point, as determined by the Cooperative, where electric energy leaves the Cooperative's electric system and is delivered to a Member. The Point of Delivery shall be accessible to Cooperative personnel at all times.

Member's Facilities

Except as otherwise provided in the Member Policies and Schedules, a Member shall install, provide, and maintain all devices and equipment, including breaker boxes and wiring beyond the Point of Delivery that are necessary for the Cooperative to provide Electric Service ("Member Facilities"). Member's Facilities shall meet all applicable local, state and national codes and regulations. A Member shall not install wiring or attachments to any part of the Cooperative's electric system.

The Cooperative shall not be responsible for maintaining Member Facilities but the Cooperative reserves the right to inspect a Member's Facilities at any time if there is concern that an unsafe or dangerous condition exists. Except in special situations where the Cooperative may own, maintain and operate electric facilities and equipment beyond the Point of Delivery, the Cooperative shall not be responsible for any other electric facilities and equipment beyond the Point of Delivery.

Motor Horsepower Limitations

A Member shall not place single-phase motors in excess of 10-horsepower on the Cooperative's electric system without written approval from the Cooperative. The Cooperative may require a Member to provide reduced voltage starting equipment for said motors.

Notice of Equipment Change

A Member shall notify the Cooperative of additional equipment that may change the load characteristics of the Member's Electric Service. Said notice shall be in writing and shall allow enough time for the modification of Cooperative electric facilities and equipment to accommodate the increased load. Any modifications must be made in accordance with Cooperative policy. A Member shall be responsible for any damage to Cooperative electric facilities and equipment as a result of any increased load.

1.11 METERING AND COOPERATIVE EQUIPMENT

Metering

Except as otherwise provided by the applicable Schedules or the Member Policies, a Member's charges for Electric Service shall be determined based on meter measurements. In general, each meter shall indicate clearly the kilowatt-hours or other units of electric energy for which charges are assessed.

Metering Equipment and Other Equipment

The Cooperative shall install, own, maintain and operate all metering equipment and devices used to measure electric energy sold to a Member. The Cooperative's metering device may be beyond the Point of Delivery and shall be accessible to Cooperative personnel at all times.

The Cooperative utilizes an Advance Metering Infrastructure ("AMI") for providing Electric Service and will determine the type of meter that will be installed at the Point of Delivery. However, a Member may request a non-standard meter or analog meter not utilized by the Cooperative's AMI (each, herein a "Non-Standard Meter") that will require Cooperative personnel to manually read the meter. A Member requesting and utilizing a Non-Standard Meter shall be responsible for set-up and monthly fees.

The Cooperative may also install, own, maintain and operate electric facilities and equipment beyond the Point of Delivery, such as security lights and demand response devices.

Meter Testing

The Cooperative may test a meter, at its discretion, at any time during normal business hours at no cost to the Member.

A Member may request a meter test at any time. The Member, or an authorized representative, has the right to be present during the meter test. The Cooperative shall give the Member reasonable notice of the date and time that the meter is to be tested. If a meter test is requested within four (4) years of a test previously requested and the meter is found to be within the accuracy standards established by the American National Standards Institute, Inc., then the Member's account shall incur charges for the cost of and/or fees for the requested meter test. If a meter is deemed to be inaccurate it shall be replaced and the Member's account shall be adjusted based on estimated usage.

In the event a Member requests a test that is not normally provided by the Cooperative, such test shall be performed upon the Member's agreement to pay for all costs associated with such test.

Meter Tampering

No person, except for Cooperative personnel, shall alter, remove, or make any connections to the Cooperative's meter or Electric Service facilities/equipment. A Member's account shall incur a minimum fee plus estimated charges for energy consumed where meter tampering occurs. The Cooperative may also charge a Member for any other costs resulting from the meter tampering. The Cooperative shall charge a fee to reset the meter when the Cooperative satisfactorily determines that Electric Service can be restored to a Member.

Tampering or Alteration of Cooperative Electric Facilities and Equipment

The Member shall not alter or tamper with Cooperative electric facilities and equipment or cause such to be altered or tampered with. The Cooperative shall presume that a Member has tampered with Cooperative electric facilities and equipment if:

1. electric energy has been diverted from passing through a meter;
2. electric energy has been prevented from being correctly recorded by a metering device;
or
3. electric energy has been activated by a device installed to obtain electric energy without a metering device.

Member's Responsibility for Cooperative Electric Facilities and Equipment

A Member shall be responsible for any damage to, or loss of, Cooperative electric facilities and equipment, located upon the property of the Member, unless such damage or loss is beyond the control of the Member. A Member shall be responsible for all costs associated with repairing Cooperative electric facilities and equipment, including security lights and any demand response devices damaged as a result of the Member's actions.

1.12 CLASSIFICATION OF ELECTRIC SERVICE AND SPECIAL CIRCUMSTANCES

Electric Service Rate Classification

Electric Service shall be classified according to the Rate Schedules established by the Cooperative's Board of Directors. The Cooperative shall determine and select the proper classification and Rate Schedule for a Member based on the information and electrical requirements/load characteristics provided by the Member. The Cooperative shall not be responsible for making sure a Member's Electric Service is classified under the most favorable Rate Schedule and a Member shall be responsible for notifying the Cooperative of any change to the Member's electrical requirements/load characteristics that would merit Electric Service being re-classified under a different Rate Schedule. However, the Cooperative may re-classify a Member's Electric Service under a different Rate Schedule at any time if the Cooperative discovers the Member's actual electrical requirements/load characteristics merit Electric Service being re-classified under a different Rate Schedule.

Idle Service

Where Electric Service has not been connected or has been discontinued but where electric facilities and equipment remain in place the Service shall be considered "Idle Service". The applicable Rate Schedule, as determined by the Cooperative, shall still apply to Idle Service.

The Cooperative retains the right to remove, at its convenience, any idle electric facilities and equipment. If a Member requires idle electric facilities and equipment to remain in place, then the Cooperative may leave the electric facilities and equipment in place, provided that the Member shall be responsible for any amounts due under the applicable Schedules or any monthly minimum charge, as determined by the Cooperative.

Special Contracts for Electric Service

The Cooperative may negotiate and execute an Electric Service contract with a Member who has unusual or unique power requirements which may include a Rate Schedule developed specifically to meet the power requirements of a Member and contain terms and conditions that differ from the Member Policies.

1.13 DELIVERY OF ELECTRIC SERVICE

Electric Service shall be supplied by the Cooperative as alternating current, 60 Hertz, at available secondary voltages. The Cooperative shall furnish single- or three-phase Electric Service at standard secondary voltages, as follows:

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

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

1.14 CONTINUITY OF ELECTRIC SERVICE

Service Interruptions

The Cooperative strives to provide continuous Electric Service but makes no guarantees against interruptions. Members shall be responsible for reporting Service interruptions that are not attributable to Member Facilities.

Continuous Service, Member's Responsibility

If continuous Electric Service at a constant voltage is required, a Member must install the necessary equipment. Should a Member require three-phase Service, the Member shall be responsible for providing and operating such protective equipment as is necessary to protect equipment from damage resulting from the loss of power to one or more phases.

Emergency Interruptions

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

Maintenance Interruptions

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

No Liability for Continuity of Electric Service

The Cooperative does not insure, guarantee, or warrant that it shall provide adequate, continuous, or non-fluctuating electric energy or other Electric Service. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by inadequate, non-continuous, or fluctuating electric energy, including Service interruptions, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct.

1.15 MEMBER'S USE OF ELECTRIC SERVICE

Resale of Electric Service

Members shall not resell Electric Service to any other Member, person, or entity without approval from the Cooperative. Members shall not extend electric facilities to an adjacent property without written approval from the Cooperative.

Intermittent Electric Service

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

Power Factor

The Cooperative may require a Member to maintain a certain power factor.

1.16 SWITCHOVERS

In cases where a Member requests Disconnection in order to obtain Electric Service from another electric utility certified to serve in the area, the following rules shall apply:

1. A Member shall request Disconnection in writing.
2. A Member shall pay any outstanding account balance in full, including any charges for all costs and/or fees associated with the switchover.
3. Upon payment of the full account balance, a Member shall receive a paid receipt from the Cooperative for presentation to the connecting utility.

4. A Member shall be advised that the connecting electric utility may not provide Electric Service until such connecting utility has evidence that a Member has paid all amounts owed to the Cooperative.

1.17 INTERCONNECTION OF DISTRIBUTED RESOURCES

A Member shall not use other sources of electric energy in conjunction with the Cooperative's Electric Service without Cooperative approval.

The Cooperative will, in conformity with the requirements of law, interconnect with generators and energy storage devices owned or leased by Members of the Cooperative ("Distributed Energy Resource" or "DER") subject to the terms and conditions set forth in the Cooperative's Distributed Energy Resource Interconnection Manual ("DERI Manual"), including all rules and regulations therein.

NOTE: Anything over 10Mva or not covered by the DERI Manual shall be considered by the Cooperative and its power suppliers on a case by case basis.

1.18 MEMBER COMPLAINTS

Member complaints must first be submitted to Cooperative personnel. A Member complaint may be made in person at any of the Cooperative's offices, by telephone, or in writing. However, if a Member desires a written response to the complaint, then the complaint must be submitted in writing. Any official and authoritative Cooperative response to a complaint submitted in writing shall be approved by Cooperative management and shall be in letter form on Cooperative letterhead that will be mailed, faxed, or provided as a secure document via electronic means.

If a Member is not satisfied by the Cooperative's resolution or response to the complaint, then the complaint may be submitted to the Board. All complaints submitted to the Board must be in writing. A Member making the complaint also has the opportunity to address the Board in person at a Board meeting. In order to do so, a Member must submit the complaint in writing at least fifteen (15) days prior to the Board meeting that the Member desires to attend.

1.19 MEMBER ACCESS TO RECORDS

Only Members may inspect and/or obtain copies of Cooperative records. A Member shall have access to the following documents without making a formal request: (1) Articles of Incorporation; (2) Bylaws; (3) Board Governance Policies; (4) annual reports; and (5) Cooperative publications.

In order to inspect all other Cooperative records, a Member must submit a formal request on a form provided by the Cooperative. Said form shall include an affidavit in which the Member affirms that the information sought is for a proper purpose that serves the interests of the Cooperative and its Members. Depending on the nature of the information sought a Member may also be required to execute a reasonable nondisclosure or confidentiality agreement relating to the Cooperative records inspected or copied. Any responses to a formal request shall be in writing and shall not be provided in a simple email response. A response to a formal request shall be in letter

form on Cooperative letterhead and mailed, faxed, or provided as a secure document via electronic means. A Member requesting information shall be responsible for all costs associated with the request such as copying costs and labor.

A Membership list provided by the Cooperative shall only include the names, addresses, and Director Districts of all Members. The Cooperative shall not release any information that is considered to be confidential, proprietary, or protected by agreement.

SECTION II LINE EXTENSION POLICY

2.1 LINE AND SERVICE EXTENSION IN GENERAL

The Cooperative shall construct electric facilities and equipment necessary to extend Electric Service to a requesting Member in a manner that best serves the Member and the Cooperative's system as a whole. The Cooperative has sole discretion to determine the type and design of the necessary electric facilities and equipment depending on the type of Electric Service requested.

Any amounts, excluding non-refundable fees, paid by a Member shall constitute contribution-in-aid of construction ("CIAC"). All CIAC and non-refundable fees required must be paid prior to the Member or developer before the Cooperative will begin construction of the requested facilities.

Regardless of the payment of any CIAC by any Member or developer, all electric facilities and equipment constructed by the Cooperative, with the exception of meter poles, shall become the property of and remain in the control of the Cooperative. All CIAC allowances and amounts are listed in the Line Extension Rate Schedule.

The Cooperative shall construct, install, operate, and maintain its plants, structures, equipment, and lines in accordance with the standard practice provisions of the American National Standards Institute, Inc.; the National Electrical Safety Code; and such other codes and standards that are generally accepted by the industry, except as modified by the Commission or by municipal regulations within their jurisdiction, and in such manner to best accommodate the public, and to prevent interference with Electric Service furnished by other public utilities insofar as practical.

2.2 RESIDENTIAL LINE EXTENSIONS

Permanent Residential

"Permanent Residential Dwellings" are those constructed or placed on and permanently affixed to a foundation that requires Electric Service on a permanent year-round basis. Such dwellings shall consist of one or more rooms used by one or more persons as a housekeeping unit and shall contain full kitchen and living facilities, permanent hook ups to other utility services, and for which monthly bills shall be rendered throughout the year. A mobile home shall be considered a Permanent Residential Dwelling when it has been placed on a foundation and/or a permanent under-skirting has been constructed and the axles and tongue have been removed.

Overhead and underground line extensions to Permanent Residential Dwellings shall be constructed at no cost to the Member up to the predetermined allowance established in the Schedules. The Member shall pay a CIAC equal to the amount by which the estimated cost of the line extension exceeds the predetermined allowance.

Miscellaneous Residential

Line extensions to a residence or dwelling installation not considered a Permanent Residential Dwelling, such as a barn, shop, water well, gate opener, or other that is used for a non-commercial purpose shall be constructed at no cost to the Member up to the predetermined allowance established in the Schedules. The Member shall pay a CIAC equal to the amount by which the estimated cost of the line extension exceeds the predetermined allowance.

2.3 OTHER LINE EXTENSIONS

Commercial

The Cooperative shall construct line extensions to serve all other permanent installations considered commercial, industrial, or public buildings, as determined by the Cooperative (“Commercial Location”). Line extensions to Commercial Locations shall be evaluated on a case-by-case basis and shall be constructed subject to the Member paying a CIAC as negotiated between Member and the Cooperative.

Temporary

A location that requires Electric Service for a specified/estimated period of time or for a specified project, with full knowledge that the Electric Service will be discontinued after the specified/estimated period of time or upon completion of the project shall be deemed a “Temporary Installation”. Line extensions or the construction of electric facilities and equipment necessary to Serve a Temporary Installation shall be constructed subject to the Member paying a CIAC equal to the entire estimated cost of providing the Electric Service prior to the construction of the necessary facilities. After termination of Electric Service, the Member shall also pay for the removal of any facilities plus the cost of materials used and unsalvageable.

Security Lighting

Line extensions for the installation of a security light shall be constructed at no cost to the Member up to the predetermined allowance established in the Schedules. The Member shall pay a CIAC equal to the amount by which the estimated cost of the line extension exceeds the predetermined allowance.

Platted Residential Developments

The Cooperative shall construct Line extensions to and within Platted Residential Developments (“Development”) that are to be primarily used or developed for Permanent Residential Dwellings provided that, in the Cooperative’s judgment, the Development is not unduly speculative and will be developed in a planned manner.

The developer of the project (“Developer”) shall pay, in advance of construction, for all estimated costs to extend primary lines to the front roadway of each tract or lot, excluding transformer costs. Thirty-six (36) months after the date that the Cooperative energizes Electric Service to the Development, and upon the Developer submitting a written request to the Cooperative within ninety (90) days thereafter, the Developer will be eligible for a refund of a portion of the amount paid in advance of construction based on the number of Permanent Residential Dwellings to which Electric Service has been provided as provided in the Schedules. In no event shall the Developer be reimbursed for any Permanent Residential Dwelling for which Electric Service is provided after

the thirty-six (36) month period referenced above. The amount of the refund shall be assessed per residence served by the primary line extensions, provided, however, that the total amount of the refund cannot exceed the amount of the advance for construction paid by the Developer. The Cooperative shall verify the number of Permanent Residential Dwellings and process the refund in a timely manner.

In order to extend lines from the front roadway of each Point of Delivery to a Member's Permanent Residential Dwelling, a Member shall pay a CIAC as established in accordance with the above rules for Residential Electric Service.

Commercial Developments

Line extensions will be made to and within Commercial Developments that are primarily used or developed for permanent commercial, industrial, retail, and/or office use and provided that, in the Cooperative's judgment, the Commercial Development is not unduly speculative and will be developed in a planned manner.

The Developer shall pay a CIAC to the entire estimated cost of such extension prior to the electric facilities and equipment being built.

Area Development Plan

Service facilities may also be extended at the Cooperative's expense provided the facilities are required for increased reliability, service continuity, or development of the Cooperative's distribution system. In conjunction with the installation of such facilities, the Cooperative may extend service from these facilities to customers in accordance with the appropriate line extension provision.

Other Line Extensions

For all other installations not described above, where electric facilities and equipment are either installed, removed, or relocated upon the Member's request and for the sole benefit of the Member, a CIAC equal to the estimated cost of the installation, removal, or relocation must be paid in advance by the requesting Member.

SECTION III FEE AND RATE SCHEDULES

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3.1 GENERAL PROVISIONS

Payment

Except as otherwise provided in the Rate Schedules, rates are subject to the payment provisions of the Member Policies.

Sales Tax

Any taxes now or hereafter applicable to the Electric Service shall be charged to the Member in addition to applicable rates. Taxes shall not be charged if the Member has furnished proof of exemption in a form acceptable to the Cooperative.

Single Point of Delivery

Rates are based upon service to the entire location through a single delivery and metering point. Service to the same Member at other points of delivery shall be separately metered and charged under the applicable Rate Schedule.

3.2 FEES AND CHARGES

SCHEDULE F

Approved/Effective 12-16-15 / 01-01-16

(1 of 1 pages)

Service Fees	Amount
Connection Fee (Trip Required)	\$75.00
Connection Fee (No Trip Required)	\$25.00
Connect Security Light (existing pole)	\$50.00
False Call for Service (Business Hours)	\$75.00
False Call for Service (After Hours)	\$150.00
Trip Fee (Business Hours)	\$50.00
Trip Fee (After Hours)	\$150.00
Late Payment Fee	5%
Insufficient Funds Charge	\$25.00
Trip Reconnect Fee (Business Hours)	\$75.00
Trip Reconnect Fee (After Hours)	\$150.00
Remote Reconnect Fee	\$25.00
Meter Testing Fee: Single-Phase	\$75.00
Meter Testing Fee: Three-Phase	\$150.00
Meter Tampering Fee	\$300.00
Non-Standard Meter Set-Up Fee	\$125.00
Non-Standard Meter Monthly Fee	\$50.00
Special Pole Fees: <ul style="list-style-type: none"> • Moving Poles • Moving/Installing anchors and guy anchors • Moving/Raising lines for the purpose of temporary clearance 	Actual cost of material and labor plus standard mileage fee.
Special Services	Actual Cost of Service

3.3 RESIDENTIAL SERVICE

SCHEDULE R

Approved/Effective 07/01/06 / 05/01/18

(1 of 2 pages)

Availability

Available in all areas served by the Cooperative for all domestic purposes in single family or individually metered multi-family dwelling units used as a permanent residence, subject to the Cooperative's established rules and regulations.

Type of Service

Single-phase, 60 hertz, at available voltages. Service may be three-phase if the single-phase is inadequate for the purpose desired and prior approval is received from the Cooperative.

Monthly Rate

Base Charge	@	\$19.75 per month
Delivery Charge (All kWh)	@	\$0.0310
Energy Charge	@	\$0.07140

Minimum Monthly Charge

The minimum monthly charge shall be \$19.75.

Delivery Charge

The Delivery Cost is not subject to monthly adjustments and may only be revised via a normal rate increase process, including a public notice and Board approval.

Energy Charge and Power Cost Recovery Factor Charge

The Energy Charge in the above Monthly Rate includes a Power Cost Recovery Factor that shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor Schedule "PCRF."

Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date). If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

3.4 SMALL GENERAL SERVICE

SCHEDULE SGS

Approved/Effective 07/01/06 / 05/01/18

(1 of 2 pages)

Availability

Available to non-residential Members with metered kilowatt demands not exceeding 50 kW in two or more of the preceding twelve (12) billing months, for all uses including lighting, heating, and power, subject to the established rules and regulations of the Cooperative. Service hereunder is available to all single-phase churches and synagogues but shall be limited to the meter that serves the building in which the sanctuary or principal place of worship is located. The rated capacity of any motor served under this schedule shall not exceed ten (10) horsepower without prior approval of the Cooperative. A Member must remain on this Rate Schedule for a minimum of twelve (12) months before receiving Service under another Rate Schedule.

Type of Service

Single-phase or three-phase, 60 hertz, at available primary or secondary voltages.

Monthly Rate

Customer Charge			
Single-Phase	@	\$20.50	per month
Three-Phase	@	\$39.50	per month
Delivery Charge			
All kWh	@	3.89¢	per kWh
Energy Charge			
All kWh	@	6.57¢	per kWh

Minimum Monthly Charge

The minimum monthly charge shall be \$20.50 for single-phase service and \$39.50 for three-phase service.

Metering

The Cooperative shall provide metering at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at primary distribution voltage, the Energy Charge in the above Monthly Rate shall be reduced by 2% for billing purposes herein.

Delivery Charge

The Delivery Cost is not subject to monthly adjustments and may only be revised via a normal rate increase process, including public notice and Board approval.

Energy Charge and Power Cost Recovery Factor Charge

The Energy Charge in the above Monthly Rate includes a Power Cost Recovery Factor that shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor Schedule "PCRF."

Demand Metering

When the Member's monthly kilowatt-hour usage exceeds 10,000 kWh in two (2) or more of the preceding twelve (12) billing months, the Cooperative shall install demand metering equipment for the purpose of determining the availability of service hereunder. At its option, the Cooperative may also at any time install demand metering equipment to measure the load requirements of any Member served hereunder.

Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

3.5 GENERAL SERVICE

SCHEDULE GS

Approved/Effective 07/01/06 / 05/01/18

(1 of 2 pages)

Availability

Available to new Members who contract for not less than 20 kW or not more than 300 kW of Electric Service, and to existing Members with metered kilowatt demands exceeding 20 kW in two (2) or more of the preceding twelve (12) billing months but not exceeding 300 kW two (2) or more times during that twelve (12) month period, subject to the established rules and regulations of the Cooperative. A Member must remain on this rate schedule for a minimum of twelve (12) months before receiving service under another rate schedule.

Type of Service

Single-phase and three-phase at available primary or secondary voltage. Motors having a rated capacity in excess of ten (10) horsepower must be three-phase.

Monthly Rate

Customer Charge			
Single-Phase	@	\$20.50	per month
Three-Phase	@	\$39.50	per month
Delivery Charge			
All kWh	@	3.74¢	per kWh
First 10 kW of Billing Demand	@	No Charge	
Over 10 kW of Billing Demand	@	\$1.60	per kW
Energy Charge			
All kWh	@	5.49¢	per kWh
First 10 kW of Billing Demand	@	No Charge	
Over 10 kW of Billing Demand	@	\$4.15	per kW

Minimum Monthly Charge

The minimum monthly charge shall be the higher one of the following charges:

1. The sum of the applicable Customer Charge and the Demand Charge.
2. The minimum monthly charge specified in the contract for service.

Delivery Charge

The Delivery Cost is not subject to monthly adjustments and may only be revised via a normal rate increase process, including public notice and Board approval.

Energy Charge and Power Cost Recovery Factor Charge

The Energy Charge in the above Monthly Rate includes a Power Cost Recovery Factor that shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor Schedule "PCRF."

Determination of Billing Demand

The Billing Demand shall be based on the maximum kilowatt demand established by the Member for any fifteen minute period during the month for which the bill is rendered and the preceding eleven (11) months. The Billing Demand shall be the greater of 100% of the current month's demand or 50% of any previous applicable month as specified above.

Power Factor Adjustment

The Member agrees to maintain unity power factor as nearly as practicable. Actual demand may be adjusted for any customer with 20 kW or more of measured demand. When the Member's power factor at the time of the metered maximum kilowatt demand is determined to be less than ninety-five percent (95%), the Billing Demand shall be determined by multiplying the metered maximum kilowatt demand by ninety-five percent (95%) and dividing the product thus obtained by the actual power factor.

Metering

The Cooperative shall provide metering at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at primary distribution voltage, the Demand Charge and Energy Charge in the above Monthly Rate shall be reduced by 2% for billing purposes herein.

Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business after the due date.

3.6 LARGE POWER SERVICE

SCHEDULE LP

Approved/Effective 07/01/06

(1 of 2 pages)

Availability

Available to new Members who contract for not less than 50 kW of Electric Service, and to existing Members with metered kilowatt demands exceeding 50 kW in two (2) or more of the preceding twelve (12) billing months, subject to the established rules and regulations of the Cooperative. A Member must remain on this Rate Schedule for a minimum of twelve (12) months before receiving Service under another Rate Schedule.

Type of Service

Single-phase and three-phase at available primary or secondary voltage. Motors having a rated capacity in excess of ten (10) horsepower must be three-phase.

Monthly Rate

Customer Charge	@	\$175.00 per month
Delivery Charge		
All kWh	@	3.05¢ per kW
All kW of Billing Demand	@	\$ 1.18 per kW
Energy Charge		
All kWh	@	4.95¢ per kWh
All kW of Billing Demand	@	\$ 5.07 per kW

Minimum Monthly Charge

The minimum monthly charge shall be the higher one of the following charges:

1. The sum of the Customer Charge and the Demand Charge.
2. The minimum monthly charge specified in the contract for service.

Delivery Charge

The Delivery Cost is not subject to monthly adjustments and may only be revised via a normal rate increase process, including public notice and Board approval.

Energy Charge and Power Cost Recovery Factor Charge

The Energy Charge in the above Monthly Rate includes a Power Cost Recovery Factor that shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor Schedule "PCRF."

Determination of Billing Demand

The Billing Demand shall be based on the maximum kilowatt demand established by the Member for any fifteen minute period during the month for which the bill is rendered and the preceding eleven (11) months. The Billing Demand shall be the greater of 100% of the current month's demand or 50% of any previous applicable month as specified above.

Power Factor Adjustment

The Member agrees to maintain unity power factor as nearly as practicable. Actual demand may be adjusted for any Member with 20 kW or more of measured demand. When the Member's power factor at the time of the metered maximum kilowatt demand is determined to be less than ninety-five percent (95%), the Billing Demand shall be determined by multiplying the metered maximum kilowatt demand by ninety-five percent (95%) and dividing the product thus obtained by the actual power factor.

Metering

The Cooperative shall provide metering at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at primary distribution voltage, the Demand Charge and Energy Charge in the above Monthly Rate shall be reduced by 2% for billing purposes herein.

Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

3.7 SECURITY LIGHTING SERVICE

SCHEDULE NM

Approved/Effective 07/01/06

(1 of 1 pages)

Availability

Available to all Members located on or near Cooperative's existing lines who have one or more electric meters connected at the same location, subject to the established rules and regulations of the Cooperative.

Type of Service

Single-phase unmetered security light service supplied exclusively to one or more outdoor type LED 150-watt equivalent lamps, 175-watt mercury vapor lamps, 100-watt high pressure sodium lamps, LED 250-watt equivalent, or LED 400-watt equivalent, operating automatically at night from dusk to dawn.

Conditions of Service

The Cooperative, at its own expense, shall replace burned out lamps. Expenses covering replacement of lamps, refractors or ballasts due to vandalism may be charged to the Member or the security light may be removed.

Monthly Rate

LED 150-watt equivalent	\$9.75 per light
100 watt HPS	\$9.75 per light
175 watt MV	\$10.20 per light
LED 250-watt equivalent	\$17.10 per light
LED 400-watt equivalent	\$21.50 per light

Fees

Connection Fee	See Schedule F
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Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

3.8 LARGE POWER HIGH LOAD FACTOR

SCHEDULE HLF

Approved/Effective 07/01/06

(1 of 2 pages)

Availability

Available to Members located on or near Cooperative's three-phase lines for all types of usage, with an average monthly peak demand of 5,000 kilowatts or more and with a minimum monthly load factor of 70%, subject to the established rules and regulations of the Cooperative. The monthly load factor shall be determined by dividing the Member's average demand (energy usage divided by the number of hours in the billing period) by the Member's billing demand.

Type of Service

Three-phase at available primary or secondary voltage. Motors having a rated capacity in excess of ten (10) horsepower must be three-phase.

Monthly Rate

Customer Charge	@	\$175.00 per month
Demand Charge:		
All kW of Billing Demand	@	\$ 7.60 per kW
Energy Charge:		
All kWh	@	4.459¢ per kWh

Minimum Monthly Charge

The minimum monthly charge shall be the higher one of the following charges:

1. The sum of the Customer Charge and the Demand Charge.
2. The minimum monthly charge specified in the contract for service.

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 Schedule "PCRF."

Determination of Billing Demand

The billing demand shall be based on the maximum kilowatt demand established by the Member for any fifteen minute period during the month for which the bill is rendered and the preceding eleven (11) months. The billing demand shall be the greater of 100% of the current month's demand or 50% of any previous applicable month as specified above.

Power Factor Adjustment

The Member agrees to maintain unity power factor as nearly as practicable. When the Member's power factor at the time of the metered maximum kilowatt demand is determined to be less than ninety-five percent (95%), the Billing Demand shall be determined by multiplying the metered maximum kilowatt demand by ninety-five percent (95%) and dividing the product thus obtained by the actual power factor.

Metering

The Cooperative shall provide metering at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at primary distribution voltage, the Demand Charge and Energy Charge in the above Monthly Rate shall be reduced by 2% for billing purposes herein.

Primary Service

When the Member takes service at the Cooperative's available primary distribution voltage and supplies all necessary utilization equipment, the above Demand Charge shall be reduced by \$.35 per kW. If the Member supplies all necessary utilization equipment except for transformation equipment, the Demand charge shall be reduced by \$.15 per kW. If the Member supplies the transformation equipment, but the Cooperative provides all other necessary utilization equipment, the Demand Charge shall be reduced by \$.20 per kW.

Taxes

The Member shall pay any sales, use, franchise or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent of unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business after the due date.

3.9 CONTRACT POWER SERVICE

SCHEDULE C-1

Approved/Effective 07/01/06

(1 of 2)

Availability

Available in all areas served by the Cooperative, in accordance with its established Service Rules and Policies 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 Members' 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 Members 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 as is mutually agreeable.

Monthly Rate

Consumer Charge:

Member specific as determined herein.

Wholesale Power Cost Charge:

The sum of all amounts charged 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.

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 shall include both specific and reasonably allocable electric plant facilities. The monthly carrying charge shall be based upon current investment-related costs of providing Service such as operating and maintenance costs, property taxes, depreciation and interest expenses, and a contribution to margins. The Consumer Charge shall also include a monthly billing charge of \$50 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 term 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 shall 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 shall 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 charged under the Cooperative's Rate schedule Applicable to Members of similar load size and type, as approved by the Public Utility Commission of Texas.

3.10 LARGE SCHOOL SERVICE

SCHEDULE LSS

Approved/Effective 07/01/06

(1 of 3 pages)

Availability

Available to State, County, and City educational institutions or universities for redistribution, or for private schools offering regular elementary, high school, and college courses, provided that Service hereunder is supplied at a single delivery point through a single meter. New Members must contract for not less than 50 kW of Electric Service, and existing Members must demonstrate metered kilowatt demands exceeding 50 kW in two (2) or more of the preceding twelve (12) billing months. Service rendered shall be subject to the established rules and regulations of the Cooperative.

Type of Service

Single-phase and three-phase at available primary or secondary voltage. Motors having a rated capacity in excess of ten (10) horsepower must be three-phase.

Monthly Rate

Customer Charge	@	\$150.00 per month
Delivery Charge		
All kW	@	2.27¢
All kW of Billing Demand	@	\$ 1.77 per kW
Energy Charge		
All kWh	@	4.97¢ per kWh
All kW of Billing Demand	@	\$ 2.98 per kW

Minimum Monthly Charge

The minimum monthly charge shall be the higher one of the following charges:

1. The sum of the Customer Charge and the Demand Charge.
2. The minimum monthly charge specified in the contract for service.

Delivery Charge

The Delivery Cost is not subject to monthly adjustments and may only be revised via a normal rate increase process, including public notice and Board approval.

Energy Charge and Power Cost Recovery Factor Charge

The Energy Charge in the above Monthly Rate includes a Power Cost Recovery Factor that shall be increased or decreased subject to the provisions of the Cooperative's Power Cost Recovery Factor Schedule "PCRF."

Determination of Billing Demand

The Billing Demand shall be based on the maximum kilowatt demand established by the Member for any fifteen minute period during the month for which the bill is rendered and the preceding eleven (11) months. The Billing Demand shall be the greater of 100% of the current month's demand or 50% of any previous applicable month as specified above.

Power Factor Adjustment

The Member agrees to maintain unity power factor as nearly as practicable. Actual demand may be adjusted for any Member with 20 kW or more of measured demand. When the Member's power factor at the time of the metered maximum kilowatt demand is determined to be less than ninety-five (95%), the Billing Demand shall be determined by multiplying the metered maximum kilowatt demand by ninety-five percent (95%) and dividing the product thus obtained by the actual power factor.

Metering

The Cooperative shall provide metering at either primary or secondary distribution voltage at the option of the Cooperative. When metering is provided at primary distribution voltage, the Demand Charge and Energy Charge in the above Monthly Rate shall be reduced by 2% for billing purposes herein.

Primary Service

When the Member takes service at the Cooperative's available primary distribution voltage and supplies all necessary utilization equipment, the Demand Charge in the above Monthly Rate shall be reduced by \$.50 per kW in lieu of the 2% Demand Charge reduction stated in the Metering provision.

Taxes

The Member shall pay any sales, use, franchise, or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member's exemption from liability for such tax.

Late Payment Charge

In the event the current account balance is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

Last Revised 02/19/2020

Availability

Available to all Members requesting outdoor lighting service not specified in the Cooperative's standard outdoor lighting service Schedule NM, subject to the established rules and regulations of the Cooperative.

3.11 NON-STANDARD OUTDOOR LIGHTING SERVICE

SCHEDULE NOL

Approved/Effective 07/01/06

(1 of 2 pages)

Type of Service

Single-phase, 60 hertz, at available voltages. Service may be three-phase if the single-phase is inadequate for the purpose desired, and if prior approval is received from the Cooperative.

Conditions of Service

The Cooperative shall furnish, install, own, operate, and maintain outdoor lighting facilities of a type and design mutually agreeable to the Member and the Cooperative.

The Cooperative, at its own expense, shall replace burned out lamps. Expenses covering replacement of lamps, refractors, ballasts, or any of the other outdoor lighting facilities due to vandalism may be charged to the Member.

Monthly Rate

Facilities Charge:

Facilities Investment	@ 2.0% per month
Plus	
Contribution-In-Aid of Construction	@ 0.5% per month

Energy Charge:

All kWh	@ 4.0¢ per kWh
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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 Schedule "PCRF."

Determination of Facilities Investment

The Facilities Investment shall be the total installed cost of facilities (including any net replacements made from time to time) furnished by the Cooperative specifically for providing service herein.

Determination of Electric Energy

The electric energy supplied by the Cooperative shall, at the Cooperative’s option, be measured by appropriate metering devices or estimated based on the following computation:

$$\text{kWh per month} = \frac{\text{Total Wattage of Fixtures x Hours Operated Per Month}}{1000}$$

For purposes of the above computation, the total wattage shall include ballast losses, where applicable.

Energy Credit

If the energy for Electric Service rendered hereunder is metered in conjunction with the Electric Service provided under one of the Cooperative’s other Rate Schedules, the Member shall receive an Energy Credit equal to the kilowatt-hours charged herein multiplied by the energy charge contained in such other Rate Schedule.

Taxes

The Member shall pay any sales, use, franchise, or other tax now or hereafter applicable to the Service rendered hereunder or imposed on the Cooperative as a result of such Service; provided, however, that no such tax shall be charged if the Member has furnished to the Cooperative evidence of the Member’s exemption from liability for such tax.

Late Payment Charge

In the event the current account is not paid by the due date, a late payment penalty shall be added to the account.

Terms of Payment

Accounts become delinquent if unpaid twenty (20) days after issuance (postmarked date) of the monthly bill. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next business day after the due date.

Term of Service

The term of Service shall be set forth in the written agreement for electric service between the Cooperative and the Member, but in no case shall be less than five (5) years.

3.12 LINE EXTENSIONS

SCHEDULE LX

Approved/Effective 07/01/06

(1 of 1 page)

Overhead Lines for Permanent Residential Dwellings

The Cooperative shall contribute the first \$2,500 of the estimated total costs and the Member shall be responsible for all additional costs over \$2,500.

Underground Lines for Permanent Residential Dwellings

The Cooperative shall contribute the first \$4,000 of the estimated total costs and the Member shall be responsible for all additional costs over \$4,000.

Miscellaneous Residential

The Cooperative shall contribute the first \$800 of the estimated total costs and the Member shall be responsible for all additional costs over \$800.

Security Lighting

Members shall be responsible for the entire costs of any overhead primary line extension required to serve a security light.

For security light poles and line extensions up to 150 feet, the Member shall contribute the first \$300 of the estimated total costs and the Cooperative shall be responsible for all additional costs over \$300. If an additional transformer is required to provide service then the Member shall contribute the first \$600 of the estimated total costs and the Cooperative shall be responsible for all additional costs over \$600.

Platted Residential Developments

For each location in a Development receiving Electric Service within thirty-six months (36) after the Cooperative makes Service available to a Development a Developer may be eligible to receive a refund of \$1,500 per location served by overhead lines and \$2,500 for each location served by underground lines. Each location reimbursed must be a Permanent Residential Dwelling. The total amount of the refund shall not exceed the original upfront costs paid by the developer.

3.13 POWER COST RECOVERY

SCHEDULE PCRFB

Approved/Effective 07/01/06/11/20/2019

(1 of 2 pages)

Applicability

This Schedule is applicable to and becomes a part of each of the Cooperative's electric Rate Schedules in which reference is made to Schedule PCRFB.

Power Cost Recovery Factor (PCRFB)

Each kilowatt-hour of energy sold by the Cooperative shall be increased or decreased per kilowatt-hour by an amount equal to:

$$\text{PCRFB} = \frac{C+E}{S} - B$$

Where:

PCRFB = Power Cost Recovery Factor expressed in \$0.00000 per kWh.

C = The total power cost from all suppliers computed for the projected twelve-month period.

E = The accumulated dollar amount of the difference between actual and recovered cost in the preceding twelve-month period.

S = The total estimated energy sales for the projected twelve-month period.

B = Base amount of power cost recovered in the Cooperative's electric retail rate schedules equal to \$0.04285 per kilowatt-hour sold.

The cost of power and kilowatt-hours used in the above formula may exclude such quantities applicable to certain Members charged under Schedule C-1 and other rate schedules not subject to the PCRFB.

PCRFB Computation

The PCRFB shall be computed according to the above formula for a twelve (12) month period beginning January of each calendar year. This factor shall remain constant and be charged each month of that calendar year, subject to the following provisions.

Each month of the twelve (12) month period, the Cooperative shall recalculate the total cost of power and total estimated energy sales, based on actual data for historical months and revisions to projected data, as deemed appropriate by the Cooperative for the remaining months of the twelve (12) month period, to reflect current costs and other relevant factors. Should such recalculations indicate that continued use of the PCRFB then in effect for the remainder of the twelve (12) month period would result in a substantial under or over recovery of the applicable power cost, the Cooperative may modify the existing PCRFB to recover such applicable power cost more accurately.

At the end of the twelve (12) month period, the accumulated dollar amount of applicable power cost under or over recovered for that twelve (12) month period shall be determined and an adjustment to the actual PCRFB revenue booked for the twelfth (12th) month shall be made to reconcile the power cost expense with the power cost recovered. That adjustment shall be placed into a designated deferred account and incorporated into the computation of the PCRFB for subsequent periods. Notwithstanding the foregoing, the Board may, by majority vote and in consideration of the best interests of the Cooperative's members, refund any over recovered amounts under this schedule as a one-time refund to the Cooperative's members.

3.14 GENERATION, NET BILLING ≤ 15 kW

RIDER DER-1

Approved/Effective 04-29-2016 / 05-01-2016 / 02-20-2018

(1 of 2)

NET BILLING FOR PURCHASES FROM A RESIDENTIAL CONSUMER'S DISTRIBUTED ENERGY RESOURCE (DER) OR QUALIFYING FACILITY (QF) FUELED BY A RENEWABLE RESOURCE AND CLASSIFIED AS HAVING A DESIGN CAPACITY OF 15 KW OF CONNECTED GENERATION OR SMALLER

For power produced in excess of a residential consumer's on-site power requirements and delivered to the Cooperative's electric system, the Cooperative will compensate the consumer by net billing. Net billing is defined as the sum of the charges billed by the Cooperative for electric service provided to the consumer less the Generation Credit given to the consumer for energy produced by the consumer's distributed energy resource and delivered to the Cooperative's electric system.

The Cooperative shall bill the consumer for all energy supplied to the consumer by the Cooperative during each billing period, according to the Cooperative's applicable retail rate schedule, and the charges in the Monthly DER Charge provision stated herein.

The Cooperative shall purchase the energy produced by the consumer's distributed energy resource and delivered to the Cooperative's electric system at the Energy Charge per kWh in the Cooperative's applicable retail rate schedule. Such purchase of electricity from the consumer will be shown as a "Generation Credit" on the consumer's billing statement.

MONTHLY DER CHARGE

Each billing period the consumer shall pay the following charges in addition to all charges billed according to the Cooperative's applicable retail rate schedule.

DER Charge @ \$10 per installation

Consumers who install distributed energy resources still rely on the Cooperative to provide them with safe and reliable electricity to meet their power requirements at any time. The DER Charge helps recover administrative costs, as well as costs associated with ensuring that the Cooperative can provide adequate capacity and system availability to meet consumers' power requirements during times when consumers' distributed energy resources may not do so.

For meter reading by Cooperative personnel where the Cooperative determines remote access to meter reading is not feasible, the following charge will apply.

Meter Reading Charge @ \$50 per meter installation

FACILITIES CHARGE

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional costs of the modifications required to interconnect the customer-owned generation.

DATA ACCESS – COMMUNICATIONS LINK

In addition to all other charges in the Member's Manual and this rider, at the Cooperative's sole discretion the consumer may be required to provide the Cooperative at the consumer's own expense a communications link approved by the Cooperative for remotely obtaining meter readings at a time or times of the month determined by the Cooperative.

CONTRACTS

An interconnection agreement between the consumer and the Cooperative shall be required in all cases.

3.15 GENERATION, ≤ 500 KW

RIDER DER-2

Approved/Effective 04-29-2016 / 05-01-2016 / 05-16-2018

(1 of 2)

SALES TO CONSUMER AND PURCHASES FROM A CONSUMER'S DER OR QF FACILITY CLASSIFIED AS HAVING A DESIGN CAPACITY NOT GREATER THAN 500 KW OF CONNECTED GENERATION

Determination of sales and purchases shall be accomplished by interconnection through a meter or meters measuring all energy supplied by the Cooperative to the consumer and measuring all energy supplied by the consumer.

Sales to Consumer:

Sales to a Distributed Energy Resource consumer shall be conducted with the applicable retail rate tariff established by the Cooperative and in use by the consumer as if there were no Distributed Energy Resource installation.

At its sole discretion, the Cooperative may use the applicable retail rate for backup service requirements or may apply a backup retail rate applicable to Distributed Energy Resource consumers.

Purchases from a Consumer's DER or QF Facility:

If the consumer's generation is a QF, the Cooperative shall purchase power from the consumer at the Cooperative's avoided wholesale energy cost based on such projected overall cost per kilowatt-hour from all power suppliers for the current calendar year, or such other rate as mutually agreed upon by the QF consumer and the Cooperative and, if requested by the Cooperative, the Cooperative's power supplier.

If the consumer's generation is a DER, but not a QF, the Cooperative may, at its sole discretion and upon approval of its power supplier, purchase power from the non-QF consumer at a rate that is not greater than the Cooperative's avoided wholesale energy cost based on such projected overall cost per kilowatt-hour from all power suppliers for the current calendar year; provided, however purchase of power from a DG consumer whose generation is not a QF may be at or such other rate as mutually agreed upon by the non-QF consumer and the Cooperative and, if requested by the Cooperative, the Cooperative's power supplier.

MONTHLY BASE CHARGE

Each billing period the consumer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Base Charge:

500 kW or less @ \$50 per meter installation

The \$50 Base Charge includes recovery of additional costs incurred by the Cooperative to provide metering service and the recovery of normal costs not recovered by the Cooperative's standard retail rate when applied to members with distributed generation. Such costs include billing, customer accounts, maintenance, administrative, and other costs necessary to maintain service to the net metering member.

Additional Charge:

For meter reading by Cooperative personnel where the Cooperative determines remote access to meter reading is not feasible

@ \$50 per meter installation

FACILITIES CHARGE

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional costs of the modifications required to interconnect the customer-owned generation.

DATA ACCESS – COMMUNICATIONS LINK

In addition to all other charges in the Member's Manual and this rider, the consumer will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.

CONTRACTS

An interconnection agreement between the consumer and the Cooperative shall be required in all cases.

3.16 GENERATION, ≤ 3,000 KW

RIDER DER-3

Approved/Effective 04-29-2016 / 05-01-2016 / 05-16-2018

(1 of 2)

SALES TO CONSUMER AND PURCHASES FROM A CONSUMER'S DER OR QF FACILITY CLASSIFIED AS HAVING A DESIGN CAPACITY GREATER THAN 500 KW AND NOT GREATER THAN 3,000 KW OF CONNECTED GENERATION

Determination of sales and purchases shall be accomplished by interconnection through a meter or meters measuring all energy supplied by the Cooperative to the consumer and measuring all energy supplied by the consumer.

Sales to Consumer:

Sales to a Distributed Energy Resource consumer shall be conducted with the applicable retail rate tariff established by the Cooperative and in use by the consumer as if there were no Distributed Energy Resource installation.

At its sole discretion, the Cooperative may use the applicable retail rate for backup service requirements or may apply a backup retail rate applicable to Distributed Energy Resource consumers.

Purchases from a Consumer's DER or QF Facility:

If the consumer's generation is a QF, the Cooperative's power supplier shall purchase all power supplied from the consumer at its avoided cost, or such other rate as mutually agreed upon by the QF consumer and the Cooperative's power supplier.

If the consumer's generation is a DER, but not a QF, the Cooperative's power supplier may, at its sole discretion, purchase power from the non-QF consumer at a rate that is determined for each non QF-consumer on a case-by-case basis.

MONTHLY BASE CHARGE

Each billing period the consumer shall be obligated to pay the following charges in addition to all charges indicated on his/her base rate:

Base Charge:

Over 500 kW and not greater than 3,000 kW @ \$100 per meter installation

The \$100 Base Charge includes recovery of additional costs incurred by the Cooperative to provide metering service and the recovery of normal costs not recovered by the Cooperative's standard retail rate when applied to members with distributed generation. Such costs include billing, customer accounts, maintenance, administrative, and other costs necessary to maintain service to the net metering member.

Additional Charge:

For meter reading by Cooperative personnel where the Cooperative determines remote access to meter reading is not feasible

@ \$50 per meter installation

FACILITIES CHARGE

As determined at the sole discretion of the Cooperative on a non-discriminatory case-by-case basis to recover any additional costs of the modifications required to interconnect the customer-owned generation.

DATA ACCESS – COMMUNICATIONS LINK

In addition to all other charges in the Member's Manual and this rider, the consumer will provide the Cooperative at his/her own expense a communications link as approved at the sole discretion of the Cooperative for remotely obtaining meter readings at a time or times of the month as determined at the Cooperative's sole discretion if so requested by the Cooperative.

CONTRACTS

An interconnection agreement between the consumer and the Cooperative shall be required in all cases.

Last Revised 02/19/2020

3.17 FOR FUTURE USE

3.18 PREPAID METERING PROGRAM

RIDER PM

Approved/Effective 12-16-15 / 11-29-17 / 5-16-2018

(1 of 4 pages)

Program

A Member may choose to establish a Prepaid Account and prepay for Electric Service under the terms and conditions of the Cooperative’s Prepaid Metering Program (“Program”) contained in this Rider PM. A Member desiring to participate in the Program shall submit a signed Program “Application and Agreement” included as part of this Rider PM (“Application”) and submit any required amounts required of the Cooperative to participate in the Program. A Member participating in the Program agrees to the terms of the Program established in this Rider PM. To the extent that any terms of the Program found in this Rider PM are in conflict with any other provisions of the Cooperative’s Member Policies and Schedules the terms found in this Rider PM shall prevail.

Participation in the Program is at the sole discretion of the Cooperative and the Cooperative may deny a Member’s Application or remove a Member from the Program at any time, without notice. Additionally, the Cooperative’s Board of Directors (“Board”) may revise or cancel the Program, at any time, without notice.

Eligibility

Members eligible to participate in the Program shall:

1. be receiving or require only single phase, 200 amp, Electric Service classified under the Cooperative’s Schedule R;
2. not require continuous Electric Service to prevent the occurrence of a medical emergency;
3. not be receiving Electric Service that is subject to the Cooperative’s Riders DER-1, DER-2 and DER-3; and
4. not owe any outstanding amounts to the Cooperative or in the alternative have entered into a Payment Arrangement Plan with the Cooperative in which at least 25% of amounts submitted to maintain a Prepaid Account balance shall be applied to outstanding amounts due the Cooperative.

Required Balances and Minimum Payments

The following Prepaid Account balance amounts shall be required of a Member to participate in the Program after any other fees or other amounts due the Cooperative necessary to participate in the Program:

Establishment of Prepaid Account.....	\$50.00
Reconnect an Active Prepaid Account	\$10.00

Amounts submitted to maintain a Prepaid Account balance shall not be less than \$10.00.

Monthly Fee

Monthly Program FeeN/A

Rate

Charges for Electric Service provided under the Program (“Rate”) shall be assessed per the Rate Schedule under which the Cooperative has classified the Member. Charges comprising the Rate in the applicable Rate Schedule may be converted to a “daily value” and assessed daily against the Prepaid Account balance.

Disconnection

Discontinuance of Electric Service or “Disconnection” shall occur without mailed notice if the Prepaid Account balance falls below \$0.00.

Disconnection may occur at any time after the Prepaid Account balance falls below \$0.00 (e.g. 7 days/week, 24 hours/day) including holidays and weekends (e.g. Saturday and Sunday).

Disconnection may also occur as provided in other provisions of the Member Policies and Schedules.

Disconnection may be deferred because of an Extreme Weather Event. A Prepaid Account shall continue to accrue charges for Electric Service during an Extreme Weather Event and may be disconnected by the Cooperative when the Extreme Weather Event has ended if the Member fails to submit amounts necessary to bring the Prepaid Account to a positive balance.

Upon Disconnection, charges for electric energy usage shall not accrue but the Monthly Program Fee and other applicable charges may be assessed against the Prepaid Account until such time that the Prepaid Account becomes inactive.

Inactive

A Prepaid Account that has been disconnected for a period of more than seven days will be considered inactive. When a Prepaid Account becomes inactive a Member’s membership in the Cooperative shall be terminated if the Prepaid Account is the only account an individual has with the Cooperative. A final bill will be provided to individual’s whose Prepaid Account has become inactive at the last known address on file for the Prepaid Account in question for any outstanding amounts due the Cooperative.

Restoration

All amounts due the Cooperative and balance requirements shall be satisfied before the Cooperative will restore Electric Service that has been Disconnected. Additionally the Cooperative may require a Member to take other actions or perform certain steps to allow for the safe restoration of Electric Service before the Cooperative will restore Disconnected Electric Service.

Electric Service will not be restored at a location for a Prepaid Account that has become inactive. An individual requesting the restoration of Electric Service that has become inactive at a location

must take the steps necessary to re-establish a Prepaid Account as required by the Cooperative or establish a new account with the Cooperative for Electric Service provided to the location.

Member Responsibilities

A Member participating in the Program understands and agrees:

1. That it is the responsibility of the Member to monitor and administer their Prepaid Account and that in doing such they should subscribe to and utilize the Cooperative's online bill payment portal.
2. That all communications regarding the Prepaid Account, including notices of Disconnection and low Prepaid Account balances will be provided through the Cooperative's online portals and that it is the responsibility of the Member to monitor such and be aware of such communication to avoid Disconnection.

SAM HOUSTON ELECTRIC COOPERATIVE, INC.
PREPAID METERING PROGRAM, RIDER PM
APPLICATION AND AGREEMENT

The undersigned (hereinafter called the “Member”) hereby applies for participation in Sam Houston Electric Cooperative, Inc.’s (“Cooperative”) Prepaid Metering Program (“Program”), and hereby acknowledge and agree as follows:

- That they have received and upon admission to the Program are bound by the terms of the Program found in the Cooperative’s Rider PM.
- That by participating in the Program they will become a Member of the Cooperative (if not already a Member) and be bound by the Governing Documents of the Cooperative as that term is defined in the Bylaws of the Cooperative.
- That they are Eligible to participate in the Program and more specifically that they do not require continuous Electric Service to prevent the occurrence of a medical emergency.
- That they will not receive a monthly bill for amounts due the Cooperative and that all communications regarding the Program will be provided through the Cooperative’s online portals.
- That it is the responsibility of the Member to monitor and administer their Prepaid Account.
- That **Disconnection** shall occur without mailed notice **if the Prepaid Account balance falls below \$0.00** and may occur at any time (i.e. nights, weekends, holidays, etc.)
- That Electric Service can be restored automatically and immediately upon submission of a payment after Disconnection. That it is the responsibility of the Member to ensure that all electric appliances are turned off, and that the Member’s electric system is safe to energize, prior to such a payment. By signing below, the Member accepts full responsibility for, and agrees to hold the Cooperative harmless for, any and all damages arising from the restoration of Electric Service upon the submission of a payment.

Please complete the following section and return to the Cooperative at PO Box 1121, Livingston, TX 77351 or via email at service@SamHouston.net or fax to 936-328-1244.

Account Number: _____ Service Address/Location: _____

Date: ____/____/____ Mobile Phone Number: () _____ - _____

E-Mail Address: _____

Member Name (Print)

Joint Member Name (Print)

Member Signature

Joint Member Signature