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TERMS AND CONDITIONS
For
PROVIDING ELECTRIC SERVICE

*As filed with the
Virginia State Corporation Commission*

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I. INTRODUCTION

This filing sets forth the Terms and Conditions under which electric service is supplied to its Customers by Rappahannock Electric Cooperative within the certificated service territory and is on file with the Virginia State Corporation Commission. The Cooperative's Board of Directors may from time to time make changes to these Terms and Conditions. The rules and regulations contained herein are not to be considered complete in every detail for furnishing electric distribution service, but are intended to be a general outline of the practices of the Cooperative.

The Cooperative, upon request, will provide any Applicant or Member with a copy of the rate schedules and Terms and Conditions under which service will be supplied.

In accordance with the retail access provisions of Chapter 23 of Title 56 of the Code of Virginia, Customers of Rappahannock Electric Cooperative may have the opportunity to purchase energy from a competitive energy service provider. The terms and conditions for Retail Access are referenced in Appendix B to this document.

II. DEFINITIONS

Acceptable Credit – demonstration of ability to pay bills in a timely manner as may have been demonstrated on an existing electric service account with the Cooperative or a letter of credit worthiness from the Applicant's previous electric distribution service provider.

Account – an entity to hold all financial transactions for which bills are created. At least one account is created for every Customer.

Advanced Metering – metering equipment and methods beyond the basic service required for the applicable tariff.

Annual Average Distribution Delivery Revenue – As used in Article VI, Sections D and E, such revenue is twelve times the distribution portion of the current tariff utilizing the average monthly usage for an individual residence as determined by data reported on the Cooperative's three most recent Year-End Form 7s.

Applicant – any person, firm, corporation, public body, or other legal entity requesting electric distribution service from the Cooperative.

Business Day – any calendar day or computer processing day in the Eastern United States time zone in which the general office of the Cooperative is open for business with the public.

Commission – refers to the Virginia State Corporation Commission.

Cooperative – Rappahannock Electric Cooperative.

Customer – refers to any Member and/or patron of the Cooperative receiving or having received electric service.

Delivery Point – that point where the Cooperative’s service conductors attach to the Customer’s conductors or a point specified by the Cooperative when facilities are supplied under Schedule EF – Excess Facilities.

Distribution Delivery Revenue – the sum of all delivery related charges, including the Access Charge and the Energy Delivery Charges. These are generally, but not exclusively, described in Section IV of the tariffs.

Distribution Service (“Distribute”, “Distributing” or “Distribution of”) – the delivery of electricity through the distribution facilities of the Cooperative.

Estimated Annual Distribution Delivery Revenue – As used in Article VI, Sections F and G, such revenue is twelve times the distribution portion of the current tariff utilizing the Applicant’s estimated monthly usage.

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

Mailed – when referencing the presentment of bills or other notices, refers to the date delivered to the U.S. Post Office or electronically posted/transmitted if that is the billing method selected by the Customer.

Member – any person, firm, corporation, public body, or other legal entity who has complied with the Terms and Conditions of service, the rules and regulations of the Cooperative, and whose application for membership has been accepted by the Cooperative, and who is being supplied electric distribution service by the Cooperative.

Normal Business Hours – 8:00 a.m. to 5:00 p.m., Monday through Friday – holidays excepted.

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

Primary Facilities – the Cooperative’s distribution system designed to carry 7200 volts or greater and generally consisting of all facilities between the substation and transformer serving the customer.

Rappahannock Electric Cooperative – a Cooperative corporation operating under the Utility Consumer Services Cooperative Act.

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

Secondary & Service Facilities – the Cooperative’s distribution system designed to carry less than primary voltages and generally consisting of all facilities between and including the distribution transformer and the Delivery Point.

III. BECOMING A MEMBER

Any person, firm, corporation, public body, or other legal entity who controls, by ownership, lease, or other appropriate authority, the property to be served, shall become a Member of the Cooperative by:

- A. Providing acceptable proof of identity and agreeing to be bound by the applicable rates, terms, and conditions of service;
- B. Agreeing to purchase electric distribution service from the Cooperative; and
- C. Agreeing to comply with and be bound by the Certificate of Incorporation of the Cooperative, the Bylaws, these Terms and Conditions, and any amendments thereto and such rules and regulations that may be adopted from time to time by the Board of Directors.

Upon receiving service from the Cooperative, the Virginia State Corporation Commission's regulations require that the Cooperative make certain information, such as the Customer's name, account number and energy usage information, available to licensed Competitive Service Providers through a "Mass List of Customer Information." Upon a Customer's request, the Cooperative shall remove the Customer's information from the list. See Appendix B – Retail Access General Rules and Regulations, Section RA IV, for more information about the Mass List.

Termination of membership shall not release a Member or the estate from debts due the Cooperative.

IV. REQUIREMENTS FOR SECURING ELECTRIC DISTRIBUTION SERVICE

A. Application or Agreement

Prior to providing electric distribution service, the Cooperative will require the Applicant to provide acceptable proof of identity and agree to be bound by the applicable rates, terms, and conditions of service, including any applicable agreements described in Section VI.

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

Applicants must contact the Cooperative before service will be made available. Under certain conditions the Cooperative, at its sole discretion, may require an Applicant to sign a contract or a letter of agreement where the monthly minimum is higher than specified under the applicable rate schedule. Customers may reference Section VI or contact the Cooperative to determine if such an agreement is required. Whether or not a written agreement covering the provision of electric service is

executed, by accepting the service, the Applicant agrees to be bound by the applicable rates, terms, and conditions of service.

The Cooperative reserves the right to require the Applicant to establish that the Applicant is the owner or bona fide lessee of the premises and to require owners or bona fide lessees to execute the Application for Membership and/or any agreements described in these Terms and Conditions. For proof of ownership or lease, the Cooperative will accept ownership papers, a signed lease agreement or letter from the landlord, and a photo ID of the lessee.

B. Deposits

1. The Cooperative may require the Applicant or Customer to deposit with it initially and from time to time, as a guarantee of payment for services provided by the Cooperative and used by the Customer, such amount as, in the Cooperative's judgment, will secure it from loss. The amount of this deposit shall not be greater than the equivalent of the Customer's estimated liability for the two (2) highest usage months' electric service.

The Cooperative is not bound to supply electric service until these conditions are fulfilled and it may disconnect with ten (10) days written notice to the Customer if the guarantee or increased guarantee is not given when required.

2. Whenever the required deposit from any Residential Customer exceeds the sum of \$150.00 the Customer shall be permitted to pay the required deposit in three consecutive equal monthly installments.
3. The Cooperative will pay interest on deposits as determined annually by the Commission. Interest will accrue from the date the deposit is paid in full until the deposit is refunded, or until reasonable effort is made to effect the refund.
4. The Cooperative shall annually credit to the Customer's account all accrued interest or, upon the Customer's request, make direct payment to the Customer.
5. For Residential Customers, the Cooperative will return the deposit if, after fulfilling the deposit requirement, the Customer establishes twelve (12) consecutive months of acceptable credit. After all indebtedness to the Cooperative has been paid, the Cooperative will credit the deposit to the Customer's account or, upon the Customer's request, make direct payment to the Customer.
6. Unless specified otherwise in the Tariff, for Nonresidential Customers, the Cooperative will return the deposit if, after fulfilling the deposit requirement, the Customer establishes twenty-four (24) consecutive months of acceptable credit. After all indebtedness to the Cooperative has been paid, the Cooperative will credit the

deposit to the Customer's account or, upon the Customer's request, make direct payment to the Customer.

7. After termination of electric distribution service, and after all indebtedness to the Cooperative has been paid, all remaining deposits plus earned interest will be returned to the Customer. The Cooperative shall have a reasonable time to disconnect service and to ascertain that all obligations of the Customer have been fully performed before being required to return any deposit.
8. Additional deposits may be required resulting from Customer damage to Cooperative equipment as outlined in Section IX, Item C (Meter Tampering, Current Diversion or Unauthorized Reconnection).
9. Additional deposits and/or deposit terms may be required when the Cooperative determines there to be significant or unusual risk.

C. Fees

The Applicant shall pay all other required fee(s), deposit(s), and charge(s) as per the attached Schedule F - Fees.

D. Rate Schedule Selection

The Cooperative's Terms and Conditions and Rate Schedules for Electric Service on file with the Commission are available upon request at the Cooperative offices.

It shall not be permissible for two (2) or more residences, a business establishment and a residence, a residence and a mobile home, or any combination of these, to receive service through one (1) meter except where the applicable nonresidential rate is applied. Any Customer found to be receiving such service on the residential (Schedule A - Farm, Home and Civic Service) rate shall be notified that separate metering equipment must be installed and approved by the local building official within forty-five (45) days or the applicable nonresidential rate will apply.

When a Customer's load meets the conditions of two or more schedules, the Customer shall be responsible for the choice of the schedule. The Cooperative will assist in the selection at the Customer's written request. However, except as provided by law, the responsibility of selection shall rest with the Customer.

The Cooperative cannot guarantee that the Customer will be served under the most favorable applicable rate schedule. Upon written request the Cooperative will analyze the Customer's usage to determine if the Customer is on the most favorable applicable rate.

E. Right-of-Way

1. The Cooperative shall determine the route, placement, and type of construction of electric distribution facilities based on the least cost

method and accepted utility practices. The Applicant shall locate and physically mark all private underground facilities located in the Cooperative determined route, and will release the Cooperative from any liabilities therewith.

2. The Applicant, at no cost to the Cooperative, shall provide the Cooperative a valid written right-of-way easement covering Cooperative facilities on the property of the Applicant in a form acceptable to the Cooperative. Should it be necessary for said easement to be approved by a government agency or recorded on permanent record at the respective county clerk's office, the Applicant shall pay the Cooperative prior to construction for all costs associated with preparation, approval, and recordation of easement documents. The Applicant shall give the Cooperative or its agents access to its equipment and facilities, and the right to construct, operate, upgrade, relocate, and maintain its facilities on the Applicant's property.
3. Prior to construction of Cooperative facilities all right-of-way easements and permits required for the Cooperative's and Applicant's facilities must have been secured. The Cooperative may solicit right-of-way easements from property owners whose lands will be affected by the extension of the Cooperative's facilities to the Applicant. If landowners require compensation for granting easements necessary to provide electric distribution service to the Applicant, then the Cooperative shall notify the Applicant of the landowners' demands and request the Applicant to satisfy such demands. If the Cooperative's standard procedures for obtaining the easement are not successful, the Applicant may be required to either secure, or assist in securing, a satisfactory easement from others and/or pay the Cooperative's additional costs, including those resulting from condemnation.
4. Subdivision Developers shall grant the Cooperative a free and continuous easement and cleared right-of-way adjacent to all streets and lot boundaries within the property of the development, and the authority to design construct, maintain, upgrade, relocate, and operate an electrical distribution system as proposed by the Cooperative.
5. The Cooperative shall have the right to keep easements clear of trees, shrubbery, undergrowth and other obstructions.
6. The Cooperative shall not be required to supply electric distribution service until a reasonable time after the Cooperative has obtained all necessary applications, right-of-way easements and/or permits, and financial arrangements satisfactory to the Cooperative.
7. The Cooperative reserves the right to refuse requests to solicit easements to properties where the Applicant has not qualified for

electric service. If the Cooperative elects to solicit easements to sites not qualified for electric service, the Cooperative may charge the Applicant to recover the costs of its easement solicitation efforts.

See Section VI Line Extension, Item A4 for property not in control of the Applicant.

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

F. Connection Provisions

The Applicant shall make proper provisions for the connection of electric distribution service to the delivery point. In cases where service is provided from the Cooperative's aerial service wires and is connected to the Applicant's structure, it is the responsibility of the Applicant to furnish and install service entrance conductors, as required, between the Cooperative's point of attachment to the structure and the meter mounting device. Provision must be made by the Applicant for a structurally sound point of attachment, capable of withstanding the mechanical strain which will occur as a result of the attachment of the service wires thereto and located in such a manner to maintain clearances of service wires as required by the National Electrical Safety Code.

G. Customer Wiring

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

H. Electric Distribution Service Limitations

The Applicant or Customer, before purchasing motors or other equipment, or undertaking to install wiring, shall secure from the Cooperative all necessary data relating to the characteristics of the electricity, which will be delivered. The Cooperative reserves the right to set limitations on current inrush characteristics, demand, power factor, or any other

characteristic of motors, wiring, or any other equipment in order to protect the quality, reliability, and/or safety of its system, and/or the service to other Customers.

I. Location and Maintenance of Cooperative's Equipment

The Cooperative shall have the right to erect, install, access, and maintain its facilities on the property of the Applicant, which in the Cooperative's judgment, are necessary to deliver electricity to the Applicant. The Applicant shall provide suitable space, as determined by the Cooperative, for the installation of the necessary metering apparatus.

V. USE OF ELECTRIC DISTRIBUTION SERVICE

A. Cooperative as Sole Distributor

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

B. Notification and Approval of, and Modifications Resulting from, Unusual Equipment Added by Customer

In order to avoid undue outages or damages to the Customer's or Cooperative's equipment, the Customer shall advise the Cooperative in writing at least 45 working days prior to any electrical load changes which will materially increase the demand.

1. The Customer shall notify and obtain the consent of the Cooperative before the connection of any unusual equipment or appliances. Such unusual equipment includes, but is not limited to: instantaneous water heaters in excess of 10 kW, single-phase motors over 10 horsepower, generators, welders, and three phase motors in excess of 50 horsepower.
2. The Cooperative reserves the right to charge for engineering studies that may be required by the Cooperative due to the connection of unusual equipment. The cost of additional facilities required to be installed by the Cooperative in order to compensate for the current in-rush characteristics may be charged to the Customer, and may be paid as a contribution in aid to construction or through the Excess Facilities Rate Schedule EF.
3. When any alterations require the change of location or character of service, service conductors, meters, transformers and other necessary facilities, the Customer shall make appropriate arrangements for the accomplishment of such changes by the Cooperative and the Customer's electrical contractor, including payment to the Cooperative for any charges resulting from the required changes.

4. Service conductors, meters or metering equipment shall not be removed or relocated except by those authorized by the Cooperative to perform such services.
5. The Cooperative reserves the right to refuse electric service to any Customer whose equipment is considered to be a safety hazard or detrimental to the Cooperative's electrical system or any of its Customers. Furthermore, the Cooperative reserves the right to immediately discontinue electric service to any Customer operating such equipment until such time as the Customer conforms to the Cooperative's Terms and Conditions.

C. Customer Generating Equipment

1. Interconnection
 - a. A switch, or other approved disconnecting means, must be used to prevent possible injury, and the installation of such is subject to the inspection and approval of the Cooperative
 - b. The Cooperative may require before construction begins that the Customer submit to the Cooperative for approval detailed plans showing the equipment to be used, the load transfer arrangement and the electrical connections.
 - c. The Cooperative reserves the right to charge for any studies that it may be require as the result of the installation of Customer generating equipment, as well as for any changes to the Cooperative facilities that may be required to accomplish the interconnection.
 - d. Parallel operation of the Customer's generating equipment with the Cooperative's system is not allowed except where specifically approved by the Cooperative.
 - e. A signed interconnection contract between Customer and the Cooperative may be required based on generator size and/or transfer arrangement.
2. Distributed Generation, Co-Generation and Small Power Production Facilities
 - a. Any distributed generation facility, or qualifying co-generation or small power production facility as designated by the Federal Energy Regulatory Commission (FERC), shall be treated in accordance with applicable legal and regulatory standards.
 - b. Small Generator Interconnections (SGI) other than Net Energy Metering and generators interconnected under the jurisdiction of FERC shall be treated in accordance with the

Commission's rules, Regulations Governing Interconnection of Small Electrical Generators (20VAC5-314-10 et seq.) and Appendix C of these Terms and Conditions.

3. Net Metering Customer

Any qualifying net metering Customer as designated by § 56-594 of the Code of Virginia shall be treated in accordance with applicable legal and regulatory standards.

4. Power From Generators

Retail Customers (including net metered Customers) are not permitted to use the Cooperative's facilities to sell any portion of their on-site, self-generation into the electricity market without first having executed a contract with both the Cooperative and the Transmission Provider.

D. Suitability of Apparatus to be Added

The Customer has the duty to notify the Cooperative of any addition of, or change to, any significant apparatus or appliance to be provided electric service. The Cooperative reserves the right, but shall not have the duty, to determine the suitability of any apparatus or appliance to be connected to its lines, and to determine whether the operation of such shall be detrimental to its general distribution and supply of electricity. The Cooperative further reserves the right to refuse to provide electric service, or to discontinue providing electric service until such time as the Customer shall conform to the Cooperative's regulations.

E. Electric Distribution Service for Customer's Use Only

The Cooperative will furnish electric distribution service to the Customer for use only for the premises occupied through ownership or lease by the Customer. This service shall not be re-metered, sub-metered, or otherwise controlled by the Customer for resale or assignment to others, except as provided by the Code of Virginia.

F. Liability of Cooperative

The electricity delivered under any agreement is distributed by the Cooperative and purchased by the Customer upon the express condition that, after it passes through the metering equipment of the Cooperative, or other Delivery Point, it becomes the property of the Customer to be used only as herein provided. The Cooperative shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity on the Customer's premises or elsewhere, after it passes through the Cooperative's metering equipment, or other point of delivery; or for any loss or damage resulting from the presence, character or condition of the wires or appliances of the Customer.

G. Interruption of Service

The Cooperative will endeavor to maintain, as nearly as practical, full continuity of service but cannot guarantee uninterrupted service. It is the Customer's responsibility to provide alternative electric power supply when interruptions cannot be tolerated, such as with medical or electronic equipment or production processes. The Customer is also responsible for providing protection for his electric motors, apparatus, wiring and other equipment from the effects of interruption or abnormal service conditions, such as low voltage, high voltage, single-phasing, lightning damage or frequency change. The Cooperative will not be held responsible for losses experienced by the Customer due to his failure to provide such protection.

Without liability to the Cooperative, service may be interrupted or become abnormal as a result of any of the following:

1. Storms, accidents, equipment failure and/or acts of God.
2. Failure of power supplier, shortage in power supplies or capacity necessitating reduction in service or the implementation of rotating blackouts. When rotating blackouts are required, the Cooperative may, without notice and without incurring liability, implement them on the basis of what is, in the Cooperative's opinion, reasonably necessary to minimize adverse impact on the public health and safety and to facilitate restoration of normal service to all Customers at the earliest time practical.
3. The presence or reasonable expectation of, or the taking of reasonably necessary actions to avoid, lessen, or mitigate an adverse condition or disturbance on the system of the Cooperative, or on any other system directly or indirectly interconnected with it, which requires automatic or manual interruption of the supply of electricity to some Customers or areas in order to limit the extent or duration of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service
4. By order of governmental authorities.
5. To make repairs, to limit or reduce the duration of interruptions, or to prevent damage to the Customer's or the Cooperative's equipment.
6. Civil disorder, strikes, or other labor trouble, riot, insurrection, war, fire or any other cause where the Cooperative believes it is necessary to de-energize part of its facilities for the protection of the public, its employees, or its electric system.

Upon correction of condition(s) which caused the interruption of service or abnormal service, the Cooperative will be diligent in re-

energizing its facilities when it is safe to do so and will not be liable for any loss or damage resulting from such. Upon any interruption of service, or any abnormal service, the Customer should notify the Cooperative as soon as possible. The Cooperative, in most cases, is not automatically or immediately aware of interrupted or abnormal service to an individual meter.

H. Customer's Responsibility

1. The Customer shall be responsible for providing the Cooperative and/or its agents reasonable and timely access to the Cooperative's property installed on the Customer's premises.
2. The Customer shall be responsible at all times for the safekeeping of all Cooperative property installed on the Customer's premises and shall give no one, except authorized Cooperative employees or its agents, access to such property. The Customer shall, upon discovery, immediately notify the Cooperative of any damage to Cooperative facilities on the Customer's property.
3. The Customer may be liable for the cost of repairs and/or damage done to the Cooperative's property on the Customer's premises resulting from negligence or misuse by others than Cooperative employees and/or its agents.
4. The Customer shall be responsible for the maintenance and repair of the Customer's wiring and equipment. Additionally, it is the Customer's responsibility to provide adequate protection for his motors or other equipment as defined in the National Electrical Code. Should the Customer report trouble with the delivery of electricity, the Cooperative will endeavor to respond with reasonable dispatch to such calls with the purpose of correcting only such trouble as may be in the Cooperative's equipment serving said Customer.
5. The Cooperative retains responsibility only with respect to the actions of its employees and/or its agents in connection with property owned by the Cooperative.
6. The Customer shall indemnify, save harmless, and defend the Cooperative against all claims, demands, costs and/or expenses, for loss, damage, or injury to persons or property in any manner directly or indirectly arising from or connected with, or growing out of the use of electricity by the Customer at or on his side of the point of delivery.

VI. Extension of Facilities

The policy of the Cooperative is to furnish adequate electric distribution service to all qualified Applicants within the territory assigned to the Cooperative by the

State Corporation Commission of Virginia. The service shall be furnished at the Cooperative's published rates and in accordance with the following line extension policy.

A. General

All costs related to line extensions are in addition to the fees, charges, and other associated costs and requirements for securing electric distribution service as described elsewhere in these Terms and Conditions.

All line extensions are subject to the following conditions:

1. The standard construction practices of the Cooperative shall be to design and construct lines in the manner that is in the best interest of the Cooperative while meeting the service requirements of the Applicant. Such determination will be at the sole discretion of the Cooperative. In making such determination, the Cooperative will consider, among other factors, the most economical and cost effective installation, operation, and maintenance of the distribution system, and the probability that the facilities will be available to serve other Customers.
2. The Cooperative shall not be required to make any electric line extension until the Applicant/Developer to be supplied from such line extension has:
 - a. Signed all applications and/or agreements;
 - b. Paid in-full all fees, charges, and/or contribution-in-aid of construction;
 - c. Fulfilled such other conditions for the connection of electricity as may be required by the Cooperative; and,
 - d. Wired and made ready for service all premises to be served.
3. Should the Cooperative select a more costly final construction design in order to meet its future needs, the Cooperative shall bear the increased costs.
4. Where the Applicant requires for his own purposes that construction methods and/or routes be used which have costs above those reasonable and customary, and the Cooperative agrees to such construction methods and/or routes, the Applicant shall pay for the excess investment required for construction.
5. Where anyone requests that existing Cooperative facilities be altered or rearranged to suit that person's own purpose and such alteration is deemed reasonable by the Cooperative that person shall pay a contribution-in-aid of construction for all associated costs prior to the beginning of construction.

6. The Applicant shall pay all extra costs incurred due to adverse construction conditions such as rock, shale, sandstone, buried stumps, trash or other soil conditions which prevent normal construction operations at a normal rate in normal soil conditions. These additional costs include hand excavation, drilling, chipping, blasting, excavating, providing and placing for padding dirt, sand, or stone dust that contains no objects greater than three-quarters (3/4") of an inch in diameter, backfilling, and disposal of excess excavated material unsuitable for backfill. These additional charges shall be billed to the Applicant. Any unforeseeable charges (such as adverse construction conditions, relocation of facilities, conduit requirements, etc.) will be paid by the Applicant as soon as work is completed and the bill has been rendered. The Applicant shall have the option to perform certain work associated with adverse construction conditions in accordance with Cooperative specifications.
7. Where underground facilities are installed, the Applicant shall provide in accordance with the Cooperative's specifications or pay additional cost for the Cooperative to provide, any conduit required in locations specified by the Cooperative. At the Cooperative's option, a conduit system may be required for the entire installation.
8. Where the grade changes after the Cooperative's underground facilities have been installed, and which in the sole opinion of the Cooperative results in an unsafe condition, the Applicant shall bear the entire cost of removal and re-installation of these facilities to comply with the Cooperative's specifications.
9. The Applicant shall be responsible for any and all damage to the Cooperative's facilities by the Applicant or his agents.
10. For any location in which a specific configuration has been contracted or ordered by governmental authorities, the installation of the system must be in accordance with these Terms and Conditions.

B. Primary Line Extensions

1. A primary line extension is the process of installing new primary facilities to serve an Applicant/Developer from existing primary facilities. The process includes designing the delivery system, acquiring easements and other necessary permissions, clearing and preparation of rights-of-way, and installing the required primary facilities as determined by the Cooperative.
2. It is the Applicant's/Developer's responsibility to secure and/or otherwise provide, at no cost to the Cooperative, a right-of-way easement acceptable to the Cooperative. The Cooperative may assist in the easement acquisition process at the Applicant's/Developer's expense, as outlined in Section IV. E. Right-of-Way.

C. Secondary and Service Extensions

This sub-section defines the general conditions applicable to the design and installation of the Cooperative's required secondary and service facilities necessary to serve an Applicant. These facilities may include, but are not limited to, poles, anchors, guy wires, cabinets, conduit, conductors, and distribution transformers. The Cooperative's standard electric distribution service is single-phase 120-240 volt service to all permanent, bona fide residential and commercial establishments.

1. The Cooperative shall furnish a standard meter base to be installed by the Applicant. The meter base shall be attached by the Applicant at a point and height designated by the Cooperative in Section XI, A of these Terms and Conditions. For apartment buildings or other multi-meter applications, the Applicant shall provide Cooperative-approved cluster meter bases and/or approved switchgear.
2. The Applicant shall provide a right-of-way easement for all extensions of service facilities and clear and grade a fifteen-foot (15') wide right-of-way that meets the requirements and specifications of the Cooperative. Upon request of the Applicant and at the Cooperative's discretion, the Cooperative may elect to clear the Applicant's right-of-way at the Applicant's expense. These right-of-ways must be free and clear of any encumbrances such as, but not limited to, restrictions related to roadways and drain fields.
3. In the case of unusual constraints placed on the Cooperative by the Applicant, the Cooperative reserves the option to have the Applicant, at his cost, provide for or perform a portion of the installation to the Cooperative's specifications.

D. Individual Residential Units

1. When an Applicant requests a line extension to a permanent, bona fide farm or residential service, the Cooperative shall invest capital towards the service up to six (6) times the average annual distribution delivery revenue. When the total estimated cost of extending service exceeds six (6) times the average annual distribution delivery revenue, all costs in excess of that amount shall be paid by the Applicant as a contribution-in-aid of construction. Total costs include the costs of both primary and secondary line facilities. The Cooperative reserves the right to require additional financial and/or contractual agreements based on the load and demand characteristics the Applicant will place on the system.
2. The Applicant shall provide to the Cooperative an approved site plan showing: the proposed or existing location of the house; meter; well and/or water lines; sewer lines and/or septic systems, drain field and reserve area; gas, propane, or oil lines and storage tanks;

private electric lines; and other private and public underground facilities.

3. When considering underground constructions, the Applicant is responsible for performing the following at no expense to the Cooperative:
 - a. Grade the right-of-way to within +/- 6 inches of final grade and remove all construction material, trash or other obstructions that would be a hindrance to the Cooperative's trenching or backfilling operations;
 - b. Backfill excavations around the footings, foundation and wall that conflict with the location of the proposed electric facilities;
 - c. Locate in conjunction with the Cooperative's engineering on-site design, all private underground facilities (water, septic, electric, etc.) on the property that may be in conflict with the construction plan. The Cooperative or its contractors will not be responsible for any damage to private facilities that have not been accurately located and marked prior to construction. Water lines or other private facilities may not be installed in the trench with the electric service without prior approval of the Cooperative;
 - d. Locate and mark all necessary property lines and corners so the Cooperative can be assured of being within its right-of-way;

E. Residential Subdivision

1. The Applicant/Developer shall provide an easement for, and clear and grade, a suitable overhead and/or underground right-of-way through and/or around the subdivision for primary lines.
2. The Applicant/Developer shall provide to the Cooperative an approved final site plan showing proposed house sites, water, sewer and other supporting underground facilities, to enable the Cooperative to perform the engineering design.
3. The Cooperative will provide to the developer a design and cost estimate for all facilities required to deliver electricity to the residential units within the subdivision based on the most efficient and overall cost-effective methods.
4. Should the Applicant/Developer request and the Cooperative agree to a final construction design other than that selected by the Cooperative, the Applicant/Developer shall pay as a contribution-in-aid of construction the estimated cost difference between the design requested by the Applicant/Developer and the design originally selected by the Cooperative.

5. The applicant shall pay for all additional costs incurred due to adverse construction conditions such as rock, shale sandstone, buried stumps, trash or other soil conditions which prevent normal trenching operations at their normal rate in normal soil conditions. These additional costs include hand excavation, drilling, chipping, blasting, excavating, providing and placing for padding dirt, sand, or stone dust that contains no objects greater than three-quarters of an inch in diameter, backfilling and disposal of excess excavated material unsuitable for backfill. These additional charges shall be billed to the Applicant. Any unforeseeable charges (such as adverse trenching conditions, relocation of facilities, conduit requirements, etc.) will be paid by the Applicant as soon as work is completed and billing has been rendered. The Applicant shall have the option to perform certain work associated with adverse trenching conditions in accordance with cooperative specifications.
6. If the Applicant/Developer requests the installation of a primary line extension within a subdivision, at the sole discretion of the Cooperative, the Applicant/Developer will be required to:
 - a. Pay the total cost of the project prior to the installation of facilities and enter into a non-transferable contractual agreement where the Applicant/Developer is refunded annually an amount equal to two (2) times the average annual residential distribution delivery revenue multiplied by the number of residential services connected within the development that year. The cumulative amount of the overall project's annual refunds can never exceed the amount paid prior to construction by the Applicant/Developer, less any contribution-in-aid of construction paid in accordance with VI, E. 4.
 - b. In lieu of the above mentioned payment, the Applicant/Developer may pay a contribution-in-aid of construction in the amount of the difference between the total cost of the project and the amount equal to two (2) times the average annual residential distribution delivery revenue multiplied by the total number of residential services projected to be connected within the development. In addition to this payment, the Applicant/Developer will be asked to secure and provide an approved irrevocable letter of credit, performance surety bond, or other form of guarantee acceptable to the Cooperative, in an amount equal to two (2) times the average annual distribution delivery revenue multiplied by the total number of residential services projected to be connected within the development. This financial surety will have a total project cost recovery period of no more than three (3) years.

7. If the Applicant/Developer requests service to a permanent, bona fide residence within the subdivision, the Cooperative shall invest capital towards the secondary service facilities up to four (4) times the average annual distribution delivery revenue.
8. If the Applicant/Developer requests service to a permanent, bona fide residence within a subdivision which had primary facilities installed prior to (approval date of 2009 Rate Case), the Cooperative shall invest capital towards services which require only secondary service facilities up to four (4) times the average annual distribution delivery revenue. Within these types of subdivisions if an Applicant/Developer requests service to a permanent bona fide residence which requires primary and secondary service facilities, the Cooperative shall invest capital towards these facilities up to six (6) times the annual residential distribution delivery revenue.

F. Commercial, Industrial, and Other

1. When service is requested to a permanent, bona fide commercial, industrial, or other application the Cooperative will invest capital towards the line extension up to two (2) times the estimated annual distribution delivery revenue from said establishment. When the total estimated cost of extending service exceeds two (2) times the estimated annual distribution delivery revenue, all costs in excess of that amount shall be paid by the Applicant as a contribution-in-aid of construction. Total costs include the costs of both primary and secondary line facilities. The Cooperative reserves the right to require additional financial and/or contractual agreements based on the load and demand characteristics the Applicant will place on the system.
2. Should the Applicant request and the Cooperative agree to a final construction design other than that selected by the Cooperative, the Applicant shall pay as a contribution-in-aid of construction the estimated cost difference between the design requested by the Applicant and the design originally recommended by the Cooperative.
3. The Applicant shall provide a right-of-way easement for all extensions of service facilities and clear and grade a right-of-way that meets the requirements and specifications of the Cooperative. Upon request of the Applicant and at the Cooperative's discretion, the Cooperative may elect to clear the Applicant's right-of-way at the Applicant's expense. These right-of-ways must be free and clear of any encumbrances such as restrictions related to drain fields.

G. Extensions to Non-Standard Services

For a Non-Standard Service, the Cooperative shall invest capital towards the extension up to two (2) times the estimated annual distribution delivery revenue from said service. When the total estimated cost of extending

service exceeds two (2) times the estimated annual distribution delivery revenue from said service, all costs in excess of that amount shall be paid by the Applicant as a contribution-in-aid of construction. Extensions to Non-Standard Services include the total costs of both primary and secondary facilities. The Cooperative reserves the right to require additional financial and/or contractual agreements based on the load and demand characteristics the Applicant will place on the system.

The following are Non-Standard Services:

1. Where service is requested to a location that is not a permanent, bona fide residential establishment.
2. Where service is requested to a location that is not a permanent, bona fide commercial or industrial establishment.
3. Where service is requested to a location which is not owned by the Applicant or which, in the judgment of the Cooperative, is not likely to be occupied by a successor should it be abandoned by the Applicant.

H. Lighting

Where street, highway, or outdoor lighting service is to be provided by the Cooperative, the complete installation is to be furnished, maintained, and operated by the Cooperative and will remain the property of the Cooperative. The Cooperative will allocate up to two (2) times the Annual Distribution Delivery Revenue, as defined in section II, towards the installation of lighting facilities. Any costs in excess of this allocation shall be paid by the Customer as a Contribution-In-Aid of Construction. The types of fixtures, as well as their associated monthly rates, shall be in accordance with the Cooperative's filed Rate Schedule OL – Outdoor Lighting.

I. Payment of Line Extension and Service Charges

In cases where the Cooperative requires fees and charges and/or a contribution-in-aid of construction, the full amount must be paid prior to construction, unless otherwise stated above.

J. Temporary Service

Before construction of a temporary extension, defined as any electric distribution service of short duration, the Applicant shall pay the estimated sum of construction and removal costs, less the value of salvaged material, as determined by the Cooperative.

K. Excess Facilities

Whenever a Customer or Applicant requests service or equipment which results in the use of equipment or facilities in excess of those normally provided, and if the Cooperative finds it practical, such may be provided in accordance with the Cooperative's filed Schedule EF - Excess Facilities.

VII. BILLING AND PAYMENT FOR SERVICE

A. Billing Procedures

1. Bills

Bills will be rendered to the Customer by the Cooperative monthly. Bills will be computed using metered energy and power consumption and/or be based on applicable rates and fees on file with the Commission and/or contracts or agreements between the Customer and the Cooperative. The Cooperative will prorate the Access Charge when a Customer's service starts or is terminated between regular meter reading periods.

2. Meter Readings

The rates of the Cooperative for electric service are based on the condition that monthly meter readings shall be obtained. In the event a valid meter reading is not obtained prior to computing a bill, the Cooperative will use an estimated meter reading. Unless mutually agreed to by the Cooperative and the Customer, an estimated meter reading will be used no more than two (2) consecutive billing periods.

In the event that the meter has failed and no valid meter reading is obtained, an estimated bill will be generated by the Cooperative using the best available information. The Cooperative may adjust estimated bills when actual information becomes available upon which to base the adjustment.

3. Terms of Payment/Collection

Bills will be due when presented and all payments are to be in US Dollars. Bills shall be considered presented when mailed or when otherwise delivered by the Cooperative to the address of the Customer. Any amount not paid by the next billing date is classified delinquent and a Late Payment Charge will be applied, as specified in the Cooperative's Schedule of Fees and Charges.

Customers with delinquent amounts will be mailed a notice. The notice will state the delinquent amount and that the service is subject to disconnection without further notice if the delinquent amount is not received in the Cooperative's office within ten (10) days of the date the delinquent notice was mailed.

If the bill remains unpaid at the end of such ten-day notice, electric service to the premise of the Customer shall be subject to disconnection without further notice.

The Cooperative reserves the right to apply any payment or payments made in whole or in part to any account due the

Cooperative by the Customer unless the Customer has instructed otherwise. However, the Cooperative may apply any payments in excess of the amount specified to other accounts due the Cooperative by the Customer. Whenever payment is returned for insufficient funds, inaccurate bank information, stop payment action, or otherwise lawfully not honored by the institution upon which the payment is drawn, a fee shall be charged for the returned payment in accordance with Schedule F-Fees. The return or refusal of two (2) or more checks or payments to the Cooperative within any twelve (12) month period, shall be sufficient reason for the Cooperative to require payment of all of the Customer's accounts due the Cooperative by cash or equivalent.

Each time the Cooperative attempts to collect payment of a delinquent account at the Customer's premise, a fee will be charged in accordance with Schedule F-Fees, Item F.

If the service is disconnected for nonpayment of services rendered, the Customer must pay all outstanding balances, plus all applicable fees and/or arrange for applicable security deposit before service will be restored. If a Customer requires that service be reconnected at a time other than normal business hours, an after hours reconnection charge will be due. All fees will be determined in accordance with the Schedule F-Fees.

Upon disconnection of service for any reason, the Customer shall be sent a final bill showing the outstanding amount owed after deducting all applicable credits. If the debt is not paid within thirty (30) days, additional charges may be incurred. The debtor will be responsible for all costs in collection of the debt incurred by the Cooperative, including but not limited to legal fees and collection agency charges.

4. Budget Billing Plan

A Budget Billing Program will be available for all Customers in good standing and whose monthly billing determinants do not include a demand component.

The Cooperative will use the billing history for the Customer's location to determine the monthly budget payment amount. If there is no history for that location, then the Cooperative will base the budget amount on an estimated annual consumption.

Budget amounts are estimates/averages based on previous kWh consumption and kWh charges. As such, they are subject to periodic evaluation and revision to keep them consistent with actual usage and to prevent overly large debit or credit balances.

If the Customer fails to make a regular budget billing payment by the due date, a late payment charge will be assessed and collection efforts initiated as with any other account. If a Customer fails to

pay bills as rendered on the budget billing program, the Cooperative shall have the right to withdraw the plan with respect to such Customer and to restore the Customer to billing as provided for in the applicable rate schedules.

VIII. DISCONTINUANCE OF ELECTRIC DISTRIBUTION SERVICES

Service conductors, meters and other Cooperative electric equipment shall not be disconnected by unauthorized persons.

The Cooperative reserves the right to discontinue furnishing electric distribution service to a Customer, irrespective of any claims pending against the Cooperative, upon the occurrence of any one or more of the following events:

A. At Any Time Without Notice

1. Whenever, in the Cooperative's opinion, the conditions of the Customer's wiring, equipment or appliances are either unsafe or unsuitable for receiving electricity;
2. When the Customer's use of electricity or equipment interferes with, or in the opinion of the Cooperative may be detrimental to, the delivery of electricity by the Cooperative to any other Customer;
3. Whenever the Cooperative, in its opinion, has reasonable cause to believe that a Customer is, or has been, receiving electric distribution service without paying therefor, or that the Customer in any manner interferes with the proper metering of such electric distribution service. The Customer will pay for any costs incurred by the Cooperative as a result of such actions by the Customer;
4. In any case of any misrepresentation by the Customer to the Cooperative (such as falsifying information on the Application);
5. Emergency repairs or alterations;
6. Unavoidable shortages or interruptions in the Cooperative's source of supply, other cases of emergency, and
7. When ordered by governmental authorities.

B. With 10-days Written Notice

Notice of discontinuance shall be considered to be given to a Customer when such notice is left with the Customer, left at the premises where his bill is rendered, or mailed to the address shown on the Cooperative's records:

1. Failure to comply with the Cooperative's Bylaws or filed Terms and Conditions of Service;

2. Failure to timely pay bills for regulated electric services provided by the Cooperative;
3. Failure to pay any required deposit;
4. Failure to comply with the terms of any payment agreement or contract;
5. Failure to correct any safety hazard having to do with electric service, judged by the Cooperative to be serious, but not life threatening;
6. Failure to correct violations of the National Electrical Safety Code and the American National Standard Code for Electricity Metering caused by changes in the structure or grade such as the addition of a deck which causes insufficient clearance of service conductors or causes the height to the center of the meter to be less than 48" or more than 72" above the floor or grade; and
7. Whenever the Customer has denied a representative of the Cooperative access to the Cooperative's meters, wires, facilities or other apparatus installed on the Customer's premises.

C. At Customer's Request

A Customer's electricity service will be disconnected within a reasonable time after receipt of such request from the Customer to the Cooperative. Request for disconnection of service does not relieve the Customer of his obligation to the Cooperative.

IX. RECONNECTION OF ELECTRIC DISTRIBUTION SERVICE

A. Compliance with Terms and Conditions

If the electric distribution service has been discontinued for any of the reasons covered by Section VIII (Discontinuance of the Electric Distribution Service), the Customer shall comply with all Terms and Conditions of Service before the service is reconnected.

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

B. Settlement of Charges and Fees

1. Any service disconnected for nonpayment normally shall not be reconnected until full payment is received for:
 - a. All outstanding balances to date;
 - b. A Reconnection Charge and/or applicable fees; and

- c. Any required deposits.
2. Settlement of charges and fees received before 5 p.m. of any business day shall entitle a disconnected Customer to be reconnected on that day subject to the reconnect charge described in Appendix A, Schedule F, Item D. If a Customer requires that service be reconnected at a time other than normal business hours, an after hours charge will be assessed subject to the reconnect charge described in Appendix A, Schedule F, Item E.
3. The Cooperative will only accept cash payments at one of its offices or a designated and approved payment location. Cooperative employees will not accept cash payments at the Customer's location.

C. Meter Tampering, Current Diversion or Unauthorized Reconnection

The Cooperative may pursue any criminal complaint procedure available under the law. Before reconnection of any service disconnected for meter tampering, current diversion, or unauthorized reconnection of service, the Customer must comply with the following conditions:

1. Pay for all damages to Cooperative equipment and associated expenses;
2. Pay an amount estimated to be sufficient to cover service used or service received;
3. Pay the Reconnection Service Charge, if applicable;
4. Pay any other required deposits as identified in Section IV.B. (Requirements for Securing Electric Distribution Service);
5. Pay a fee to cover the cost of testing the meter in accordance with the Schedule of Fees and Charges; and,
6. Make any changes in wiring or equipment which, in the opinion of the Cooperative, may be necessary for the protection of the Cooperative.

X. ELECTRIC SERVICE CHARACTERISTICS

A. Quality and Continuity of Service

The quality of service supplied by the Cooperative shall be in accordance with the accepted standards of the electric utility industry. The Cooperative shall endeavor to provide continuity of electric distribution service as outlined in Section V. G. (Interruption of Service).

B. Voltage

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

XI. METERS AND METERING

A. Ownership and Location

1. All meters and metering equipment used to measure the energy delivered from the facilities of the Cooperative to the Customer's premise will be installed and owned by the Cooperative.
2. The Cooperative shall have clear and unrestricted access to its metering equipment. Meters shall be located no lower than 48 inches and no higher than 72 inches above finished grade or floor and on the outside of the building. The location of the meter and the delivery point shall be designated by the Cooperative. The Cooperative will provide specifications for the meter base, which shall be installed by the Customer as a part of the service entrance. No part of the service entrance shall be concealed before entering the meter base.
3. Upon a Customer's request, the Cooperative shall provide advanced metering and associated equipment at the net incremental cost above the basic metering service provided by the Cooperative. Such cost may be paid by the Customer in accordance with the terms of the Cooperative's Excess Facilities Schedule EF. The Cooperative shall reply to the Customer in writing within 15 business days of the request for advanced metering service, acknowledging the request and identifying the prerequisites and proposed process for completing the work. The Cooperative shall determine the type of advanced metering and associated equipment, as well as the configuration, based on the Customer's location and request. After the Customer has completed any required work and obtained all applicable inspections, the Cooperative shall complete its work within 45 days, or as promptly as working conditions permit. The Cooperative is responsible for the installation and removal of all advanced metering and associated equipment. A Customer choosing

advanced metering will be required, where applicable in the sole opinion of the Cooperative, to provide telecommunication service for the Cooperative to retrieve data.

B. Periodic Testing

The Cooperative has an established meter testing program in accordance with standards set by the American National Standard Code for Electricity Metering (most current ANSI Meter Test Standard C12-1). This standard, or other requirements of the Commission, will be followed to ensure acceptable accuracy of the Cooperative's electric meters.

C. Tests Requested by Customer

The Cooperative will test a meter at the request of any Customer free of charge provided that such a test not be required more often than once in twenty-four (24) months. If a test is required more often than once in twenty-four (24) months, a charge will be made as specified in Schedule F, Item H. Such charge will be refunded if the results of the test indicate that the meter is registering in excess of two per cent (2%) fast or slow.

A letter reporting the results of the test will be sent to the Customer within ten (10) business days of the completion of the test.

D. Meter Inaccuracy

If a meter used to measure electric energy delivered to a Customer's premise is tested and found to be inaccurate by an amount in excess of two percent, whether or not the inaccuracy is in the Customer's favor or disfavor, the Customer or the Cooperative may require that an adjustment to the bills be made. All adjustments due to meter inaccuracies will be in accordance with the condition of the meter as it was found when tested. Bills may be adjusted for the preceding period not to exceed six (6) months, unless there is an event from which the Cooperative is certain that the meter inaccuracy is deemed to have begun. The effect of the adjustment will be rendered to the Customer as an appropriate credit or charge on his subsequent statement for electric service.

If there is an event from which the Cooperative is certain that the meter inaccuracy is deemed to have begun, the adjustment to the bills may be made back to the time of that event, not to exceed 12 months or as limited per current state statute.

E. Meter Failure

If the meter is found to not be registering at all, the Cooperative will use the best available information to estimate the monthly consumption of power and energy.

XII. [RESERVED]

XIII. CUSTOMER COMPLAINT PROCEDURE

The Cooperative exists to serve its Customers and its policies are designed to provide the best service to the most Customers at the lowest practical cost.

Customers shall be advised annually of the existence of an established Customer Complaint Procedure that will include the local and toll free telephone numbers of the Cooperative by which they may make inquiries or register complaints. The complete procedure is on file at the Cooperative's office. The same information will be furnished to each new Customer with the new Customer packet.

The Cooperative will maintain a toll free telephone answering system that will give Customers access to a Cooperative agent at all hours to report power outages and other emergency situations.

Designated personnel shall be available to receive inquiries from Customers who may request personal consultation at all times that the business office is open to the public.

XIV. LOAD MANAGEMENT

For those Customers who allow the Cooperative to install a load management switch on their water heater, the Cooperative will perform minor repairs to the water heater at no direct cost to the Customer as long as the switch remains at the location and the Cooperative continues to manage water heaters for demand response. The minor repairs shall include but not be limited to, fuse replacement, thermostat replacement, reset replacement, and, where practical, element replacement. These repairs will only be performed when, in the judgment of Cooperative personnel, the mechanical condition of the water heater is such that repairs can be made without leaks being created, and when water heaters are accessible without the need for plumbing or carpentry services.

XV. RATES

Classification of Schedules

The following is a brief description of the rates available from the Cooperative. These rates are on file with, and have been approved by, the Virginia State Corporation Commission. The descriptions provided here are summaries only and the Applicability and Availability as described in the SCC approved tariff shall be used by the Cooperative to determine a Customer's rate eligibility.

The Cooperative has the following rates available:

Rates Available from Rappahannock Electric Cooperative

Schedule	Summary Description
A	Farms, single residences, private schools, church sanctuaries, volunteer fire departments, volunteer rescue squads, civic clubs and similar non-profit community service organizations; A-RA used when purchasing Energy Supply Service from a Competitive Service Provider
B – 1	Available to all types of Customers unless another rate schedule is specifically applicable; B-1-RA used when purchasing Energy Supply Service from a Competitive Service Provider
B – 3	Available to all Customers contracting for Small General Service (B-1) accounts with high load factors; B-3-RA used when purchasing Energy Supply Service from a Competitive Service Provider
LP – 1	Available to all Customers contracting for a load of 100 kW or more; LP-1-RA used when purchasing Energy Supply Service from a Competitive Service Provider
HD – 1	Available upon request to Customers otherwise served under Schedule LP–1 and contracting for a load of 500 kW or more; HD-1-RA used when purchasing Energy Supply Service from a Competitive Service Provider
IS – 1	Available upon request to Customers taking service under Schedule LP–1 and contracting for a load of 200 kW or more, who have at least 50 kW of load which is interruptible
CPD – 1	Available upon request to Customers taking service under Schedule LP–1 when service is provided at a transmission delivery voltage of at least 35 kV and when the Customer maintains an average monthly demand of 3,000 kW
IS – 2	Available upon request to Customers taking service under Schedule LP–1 provided that: 1) the Customer normally uses electric power during hours of the day in which the Cooperative’s wholesale power provider’s billing peak typically occurs; 2) the Customer contracts for a load of 500 kW or more; and 3) it is specified by contract that the Customer has at least 300 kW of load which can be interrupted at the request of the Cooperative or can be shifted to a period of non-interruption
LP – 2	Available to any industrial Customer contracting for a load of 10,000 kW or more and whose load will be served from a delivery point of the Cooperative’s wholesale supplier of electric power and energy devoted exclusively to the service of that Customer. This Schedule is available only to those Customers receiving service as of January 1, 1981. LP-2-RA used when purchasing Energy Supply Service from a Competitive Service Provider
LP – 3	Available to all Customers contracting for a load of 100 kW or more and served by a dedicated substation and utilizing no distribution facilities; LP-3-RA used when purchasing Energy Supply Service from a Competitive Service Provider
EF	Available whenever excess facilities are provided as described in the Schedule. The EF tariff does not apply to the LP–2 tariff
OL	Available upon request to Customers along the lines of the Cooperative for street, highway, and ground lighting
GV	Available to Customers with small power production facilities which qualify under Section 210 of the Public Utility Regulatory Policies Act of 1978, and which have a total design capacity of 100 kilowatts or less
Net Energy Metering Rider	Available to any distribution Customer owning and operating a renewable fuel generator on his premises which uses as its fuel source solar, wind, or hydro energy, and is primarily intended to offset part or all of the Customer’s own electricity requirements
74	Available to all non State Corporation Commission Jurisdictional Entities (public schools, municipal buildings, water plants, sewer plants, etc.)

APPENDIX A – SCHEDULE F - FEES

Type of Fee Service Charge	Amount
A. Membership Fee	\$ 0.00
B. Administrative Connection Fee – Charged each time a service is connected or when a Customer transfers from one location to another.	\$ 15.00
C. Temporary Service Fee - As specified in Section VI, Item J	
D. Reconnection Charge – Due each time a service is reconnected after having been disconnected for nonpayment of services rendered and the request for reconnection is received during normal business hours. Section IX, Item B	\$ 78.00
E. After-Hours Charge – Due each time a Customer requires that the Cooperative connect or reconnect a disconnected service at a time other than normal business hours, which are 8:00 a.m. to 5:00 p.m., Monday through Friday -- holidays excepted. This service is provided for calls received after 5:00 p.m. and no later than 9:00 p.m. Section IX, Item B	\$ 181.00
F. Collection Charge – Due when a Customer pays the Cooperative’s personnel in the field to avoid disconnection of service for nonpayment. Section VII, Item A. 3	\$ 33.00
G. Returned Payment Fee – Due each time a payment from a customer does not process for any reason. Section VII, Item A. 3	\$ 20.00
H. Meter Testing Charge – Will apply in accordance with Section XI, Item C.	\$ 123.00
I. Late Payment Charge – Due whenever payment of a bill for electric service has not been received by the due date. Section VII, Item A. 3	1 1/2% of the overdue amount

APPENDIX B - RETAIL ACCESS GENERAL RULES AND REGULATION

I. Purpose

This Appendix B supplements the Terms and applies to Customers who elect to purchase electricity supply service from a Competitive Service Provider.

II. Applicability

This Appendix B states the Cooperative's Terms and Conditions for providing Retail Access. If a provision in the Cooperative's overall Terms and Conditions for Providing Electric Distribution Service conflicts with a provision in Appendix B, the provision in Appendix B will control with regard to those Customers who elect to purchase their energy from a competitive service provider.

III. Definitions

If a definition in Appendix B conflicts with a definition in the Cooperative's Terms and Conditions for Providing Electric Distribution Service, the definition in Appendix B will control with regard to those Customers who elect to purchase their energy from a competitive service provider. As used in Appendix B, the following words and phrases shall have the meaning provided:

Competitive Energy Service - the retail sale of electricity supply service or any other competitive service as provided by legislation or approved by the State Corporation Commission as part of retail access by an entity other than the Cooperative as a regulated utility, including such services provided to retail Customers by aggregators.

Competitive Service Provider (CSP)- a person, licensed by the State Corporation Commission, that sells or offers to sell a competitive energy service within the Commonwealth. This term includes affiliated competitive service providers and aggregators, but does not include a party that supplies electricity or natural gas, or both, exclusively for its own consumption or the consumption of one or more of its affiliates.

Cooperative - Rappahannock Electric Cooperative, an entity regulated by the State Corporation Commission that owns or controls the distribution facilities required for the transportation and delivery of electricity to retail Customers.

Electricity Supply Service- the generation, or generation and transmission, of electricity to the distribution facilities of the Cooperative on behalf of a retail Customer.

Electronic Data Interchange (EDI) - the computer to computer exchange of business information using common standards for high volume electronic transactions.

Enrollment Request - Electronic notification sent to the Cooperative from a Competitive Service Provider that a Customer has selected that Competitive Service Provider for purposes of purchasing Electricity Supply Service.

Service Delivery Identification Number (SDID) – unique identifier used in lieu of a Customer account number for all Retail Access EDI transactions.

Separate Billing- the rendering of separate bills to a retail Customer for the billing charges of a competitive service provider, and for the billing charges of the Cooperative.

Virginia Electronic Data Transfer Working Group (VAEDT) - the group of representatives from electric and natural gas local distribution companies, competitive service providers, the staff of the State Corporation Commission, and the Office of Attorney General whose objective is to formulate guidelines and practices for the electronic exchange of information necessitated by retail access.

IV. Customer Information

Upon becoming a Member and receiving service from the Cooperative, the Commission requires the Cooperative to include your Customer information on a list, referred to as a “Mass List of Customer Information,” prepared by the Cooperative. The following paragraphs describe the list, how it is used, and your right to have your information withheld from the list.

- A. The Cooperative must provide the following Customer information for the mass list: (i) Customer name; (ii) service address; (iii) billing address; (iv) either an account number, a service delivery point, or universal identifier, as applicable; (v) meter reading date or cycle; (vi) wholesale delivery point, if applicable; (vii) rate class and subclass or rider, as applicable; (viii) load profile reference category, if not based on rate class; and (ix) up to twelve months of cumulative historic energy usage and annual peak demand information as available.
- B. The Cooperative must provide, upon the request of a Competitive Service Provider (CSP), the mass list of eligible Customers. Prior to disclosing any information on the mass list, the Cooperative will provide each Customer the opportunity to have the information itemized in paragraph A of this subsection withheld, in total, from the mass list. The Cooperative shall update or replace the list annually, and prior to each update, each Customer shall be provided an additional opportunity to reverse the prior decision regarding the disclosure of the information included on the mass list.
- C. Each CSP must safeguard all Customer information and shall not disclose such information unless the Customer authorizes disclosure or unless the information to be disclosed is already in the public domain. This provision, however, shall not restrict the disclosure of credit and payment information as currently permitted by federal and state statutes.

- D. The CSP must obtain Customer authorization prior to requesting any Customer usage information not included on the mass list from the Cooperative. A CSP shall provide evidence of such authorization that meets the standards for evidence of enrollment upon the request by the Customer or the State Corporation Commission.

In the event historical energy usage information for a particular Customer is available in interval meter data form, upon request it will be provided directly to only that Customer prior to their enrollment by a CSP. The Customer and the Cooperative will agree upon the transmission medium for such interval meter data.

V. Competitive Service Provider Registration and Certification

Customers may purchase electricity supply service only from licensed and registered CSPs. The State Corporation Commission will license CSPs to sell electricity supply services as provided in the Licensing section of the Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-40. In addition to Commission licensure, and prior to enrollment of Cooperative Customers, all licensed CSPs must register with the Cooperative, as provided in 20 VAC 5-312-50, in order to provide energy services within the service territory of the Cooperative.

Customers may obtain a current list of licensed and registered CSPs from the Cooperative upon request. The list is also posted on the Cooperative's web site. A registered CSP may be required to provide the Cooperative reasonable proof of financial security, and may be subject to non-emergency restrictions or disqualification as provided in the Cooperative's applicable tariffs.

VI. Customer Election to Purchase Energy From a CSP

A. Enrolling with a CSP

1. The Customer controls the choice of enrolling with a CSP. A licensed and registered CSP may enroll, or modify the services provided to, a Customer only after the Customer has affirmatively authorized such enrollment or modification. A CSP shall maintain adequate records allowing it to verify a Customer's enrollment authorization. All enrollment information will be sent to the Cooperative by the CSP.
2. In the event multiple enrollments are submitted for a single Customer during the same enrollment period, the Cooperative shall process the first request submitted for the Customer and reject all other enrollments for the same enrollment period.
3. A CSP shall send a written contract to a Customer prior to, or contemporaneously with, sending the enrollment request to the Cooperative.

4. The CSP must submit an enrollment request to the Cooperative at least 15 days prior to the Customer's next scheduled meter reading date for service to be effective on that meter reading date.
5. If enrollments are received less than 15 days prior to the next scheduled meter reading date, the service shall be effective on the Customer's subsequent meter reading date.
6. Upon a Customer's request, a CSP may re-enroll such Customer at a new address under the existing contract, without acquiring new authorization records, if the CSP is licensed to provide service to the Customer's new address and is registered with the Cooperative.
7. The Customer has a limited right to cancel its enrollment with a CSP. The Cooperative shall, normally within one business day of receipt of enrollment request from a CSP, mail notification to the Customer advising of the enrollment request, the approximate date that the CSP's service commences, and the Customer's cancellation rights. The Customer shall have until the close of business on the tenth day following the mailing of such notification to advise the CSP or the Cooperative to cancel such enrollment without penalty, and the Customer will continue with the supplier of record.
8. A single point of delivery is limited to receiving competitive energy service from one CSP in any billing period.
9. No unmetered services may be supplied by a CSP.

B. Termination of Service

The Cooperative reserves the right to impose a minimum-stay requirement upon certain customers who return to the Cooperative's regulated supply service after purchasing from a CSP. Such requirement will only be used in accordance with applicable rules and regulations of the Commission. Minimum-stay means the Customer will be obligated to use the Cooperative's Regulated Supply Service for not less than 12 months before enrolling with a CSP.

1. By CSP
 - a. If a CSP terminates a Customer's contract for electricity supply service, for any reason, other than non-payment, the CSP shall provide written notice of termination to the Customer at least 30 days prior to the date that service to the Customer is scheduled to terminate, and shall also notify the Cooperative by any means specified by the VAEDT and EDI Trading Partner Agreement.
 - b. A CSP shall send written notification to the Customer of termination for non-payment of electricity supply service at

least 15 days prior to the date that service is scheduled to terminate.

- c. If the Cooperative is notified by a CSP that the CSP will terminate service to a Customer, the Cooperative shall send written notification to the Customer, normally within five business days, that it was so informed and describe the Customer's opportunity to select a new supplier. The Cooperative shall also inform the affected Customer that if the Customer does not select another CSP, the Cooperative shall provide the Customer's electricity supply service pursuant to the prices, terms, and conditions of the Cooperative's tariffs as filed with the State Corporation Commission.
- d. If a CSP decides to terminate service to a Customer class or to abandon service within the Commonwealth, the CSP shall provide at least 60 days advanced written notice to the Cooperative, to the affected Customers, and to the State Corporation Commission. The individual Customer notification from the Cooperative, as described in paragraph c. above, is not required in the case of termination of service to a Customer class.
- e. If the Cooperative issues a final bill to a Customer, the Cooperative shall notify the Customer's CSP.

2. By the Customer

Customers may terminate service with a CSP by:

- a. Enrolling with a new CSP in accordance with the processes described in Section VI.
- b. Contacting his current CSP to request cancellation.
- c. Contacting the Cooperative to request cancellation.

3. Customer requests to the Cooperative to cancel CSP supply service may be made via telephone, letter, facsimile, e-mail, or in person.
4. Customers who request cancellation will be notified of their options of selecting another CSP or affirmatively selecting to receive supply service from the Cooperative.
5. Cancellations will be effective upon the next scheduled meter reading. Requests for cancellation must be received at least 15 days prior to the next regularly scheduled meter reading. Requests received less than 15 days prior to the next meter reading will become effective with the subsequent meter reading.

6. Any contract provisions related to Customer termination of CSP supply service are the responsibility of the Customer and CSP.

VII. Metering and Meter Services

A. General

The Cooperative will retain responsibility for all metering and meter services in accordance with its currently filed Terms and Conditions for Providing Electric Service.

B. Meter Equipment

The Customer may choose to use standard metering services or Advanced Metering according to Section XI. A.

C. Incorrect Metering

When service has been unmetered or incorrectly metered, regardless of cause, or when a meter is found to be in error more than two percent, fast or slow, the Cooperative will adjust its portion of the bill for a period not to exceed the criteria noted in Section XI. The Cooperative will notify the CSP of any usage adjustments. The Cooperative's determination of the Customer's demand and/or energy usage data, whether based on actual or adjusted data, shall be final and conclusive on all parties.

D. Unmetered Service

No unmetered electricity supply services of any kind may be purchased from a CSP.

E. Special Meter Readings

If a Customer's chosen CSP becomes incapable of fulfilling its obligation to supply electricity, the Cooperative will obtain an actual meter reading in order that final billings to the CSP's Customers can be adjusted to reflect services by the CSP.

F. Adjustments to Meter Readings Not Due to Incorrect Meter Calibration

The Cooperative will investigate and correct, as necessary, the causes of incorrect or unexplained meter readings, and will solely determine if any adjustment is warranted.

If the Cooperative determines an adjustment is warranted, the Cooperative will solely determine the method to use in adjusting the Customer's demand and/or energy usage, and the amount of the adjustment.

The Cooperative's determination of the Customer's demand and/or energy usage data, whether based on actual or adjusted data, shall be final and conclusive on all parties.

G. Load Profiles

Load profiles are estimated representative electricity usage patterns of Customers. Load profiles are developed by rate classes. Each Customer will be assigned to a rate class or a load profile reference category. A Customer's load profile will be provided to CSPs; each load profile may be used by the CSP at its own risk. The usage and interval data of large commercial and industrial Customers that have interval metering will not be posted on the Internet by the Cooperative, but will be provided to a Customer upon request.

VIII. Customer Billing

A. Billing and Payment for Service

For Customers utilizing a CSP, both the Cooperative and the CSP will render separate bills for their individual charges. Payment of charges billed by the Cooperative shall be payable to the Cooperative and the Cooperative will have no responsibility for the charges of the CSP except for the provision of meter data.

Collections of state and local utility taxes shall be remitted as required by law.

The Cooperative and the CSP will each be responsible for the communication, notification, and collection of its portion of delinquent bills from any Customer.

B. Deposits

The Cooperative may require a Customer to deposit with it initially, and from time to time, as a guarantee of payment for services provided by the Cooperative, such amount as, in the Cooperative's judgment, will secure it from loss. The amount of the deposit shall not exceed the Customer's estimated billing for service for two months.

1. Customers Choosing to Purchase Electricity Supply Service from a CSP

If a Customer enrolls with a CSP and the Cooperative is holding a deposit from said Customer, the Cooperative will recalculate the amount of deposit required, based on all regulated utility services being purchased from the Cooperative at that time, and will return any excess deposit to the Customer by way of a credit to the Customer's account or, upon request of the Customer, by direct payment.

2. Return of Customer from a CSP to the Cooperative

At such time that a Customer returns to the Cooperative's electricity supply service from a CSP, the Cooperative may require an additional deposit from the Customer based on all utility services being purchased from the Cooperative at that time, not to exceed the estimated billing for two months.

C. Budget Billing

Customers who are currently on the Cooperative's Budget Billing Plan must either bring their account balance to zero or make payment arrangements in order to satisfy any debit amounts at the time of enrollment with a CSP.

The Cooperative's Budget Payment Plan for services obtained from the Cooperative will continue to be available to qualified Customers acquiring energy services from a CSP.

IX. Disconnection of Service

The Cooperative will perform all disconnection of services for non-payment in accordance with of the existing Terms and Conditions for Providing Electric Service. The Cooperative will notify a CSP of the disconnection of any of the CSP's Customers in accordance with VAEDT Standards. The Cooperative will not disconnect for non-payment of Unregulated Charges. The Cooperative will notify a CSP upon reconnection of the CSP's Customer who has been disconnected for nonpayment of Cooperative charges.

X. Dispute Resolution

In the event of a dispute between the Cooperative and a Customer, the Cooperative and the Customer shall attempt to resolve such dispute by mutual agreement. The Customer or Cooperative may file a complaint with the Commission if the parties are not able to resolve the dispute. When a Customer has an issue to resolve with the Cooperative, said Customer should follow the procedures outlined in Section XII of the Cooperative's Terms and Conditions for Providing Electric Distribution Service. The Cooperative and the Customer shall use good faith and reasonable efforts to informally resolve the issue.

When a Customer has an issue to resolve with a CSP, the Customer should contact that CSP to resolve the issue. The Cooperative is under no obligation to resolve disputes between a Customer and a CSP. If the Customer wishes to file a formal complaint to resolve a dispute involving a CSP, it may do so through the procedures established by the State Corporation Commission.

APPENDIX C - TERMS AND CONDITIONS APPLICABLE TO VIRGINIA SMALL GENERATOR INTERCONNECTIONS OTHER THAN NET METERING

I. Applicability

This Schedule SGI is applicable to Interconnection Customers who own and operate, or contract with others to own or operate on their behalf, a Generator in parallel operation with the Cooperative's electric system. Provided, however that this Schedule shall not apply to: (a) Generators operating pursuant to the Net Energy Metering provisions of the Cooperative's Terms and Conditions; or (b) Generators that are interconnected under the jurisdiction of the Federal Energy Regulatory Commission.

Generator interconnection service includes only the ability to interconnect a Generator to the Cooperative's facilities. Generator interconnection service does not include, without limitation, the purchase or sale of the output of the Generator, station service, back-up power, the delivery of the output of the Generator, nor any form of the supply or delivery of electricity to the Interconnection Customer. The Interconnection Customer shall make separate arrangements for any such services that it desires to purchase.

II. Definitions

Certain words and phrases used in this Schedule shall be understood to have the meaning established by Chapter 314 of the Commission's rules, *Regulations Governing Interconnection of Small Electrical Generators* (at 20VAC5-314-10 et seq.) ("Chapter 314") at 20VAC5-314-10, or as otherwise defined in the Cooperative's Terms and Conditions, or as listed below:

"Interconnection Customer" has the meaning set forth in Chapter 314 at 20VAC5-314-10, and shall also continue to apply to any entity that has interconnected a Small Generating Facility with the Cooperative's equipment or facilities.

III. Incorporation of Rules

Section 314 of the Commission's rules is hereby incorporated by reference into this Schedule SGI. Interconnection Customers who own and operate, or contract with others to own or operate on their behalf, a Generator in parallel operation with the Cooperative's electric system are also subject to Chapter 314 and to the Cooperative's Terms and Conditions generally. Such an Interconnection Customer's Generator may only begin parallel operation, and may only continue parallel operation, so long as all applicable requirements of this Schedule, the Cooperative's Terms and Conditions and of Chapter 314 are satisfied.

Notwithstanding any other provision of this Schedule SGI, if the Cooperative's system is under the control of a Regional Transmission Entity, and the Regional Transmission Entity has rules, tariffs, agreements or procedures properly governing operation of the Generator, sale or transmission of the output of the Generator, system upgrades required for interconnection of the Generator, or

other aspects of the interconnection or operation of the Generator, the Cooperative and the Interconnection Customer shall comply with those applicable rules, tariffs, agreements or procedures.

IV. Rules of General Applicability

The following provisions shall apply to all Generators.

- A. The Cooperative shall not be required to establish or maintain an interconnection with a Generator that is found to be out of compliance with the codes, standards, requirements, and/or certifications applicable to the Generator. The Cooperative shall be entitled to obtain information through reasonable means, including the observation of facility tests as conducted by the Interconnection Customer, as may be necessary to ensure the continued safe and reliable operation of Cooperative facilities and equipment and to ensure the Generator does not cause a degradation in power quality provided by the Cooperative to its other customers. However, the Cooperative expressly assumes no responsibility or obligation to inspect or otherwise ensure that the Interconnection Customer complies with any such codes, standards, requirements, and/or certifications applicable to the Generator.
- B. The Cooperative shall provide Attachment Facilities in the same manner as it otherwise provides any Excess Facilities pursuant to its Terms and Conditions generally. The Interconnection Customer shall pay any applicable one-time, monthly, or other Excess Facilities charges in accordance with the Cooperative's Terms and Conditions.
- C. The Cooperative shall not be required to provide a Generator interconnection at any electrical characteristic or voltage range other than those that are provided by the Cooperative for distribution service in accordance with its Terms and Conditions, nor shall the Cooperative be required to provide a Generator interconnection under a higher standard than that generally applicable to its provision of electric service.
- D. The provision and continuation of a Generator interconnection is contingent upon the Interconnection Customer making payment for all applicable charges for such Generator interconnection, and the payment provisions applicable to any ongoing charges for each Generator interconnection shall be in accordance with the Cooperative's Terms and Conditions. The Cooperative may require a deposit in support of the Interconnection Customer's payment obligations hereunder, pursuant to its Terms and Conditions.
- E. Any metering, including telemetering or data acquisition equipment, that is necessitated by use of the Generator or requested by the Interconnection Customer shall be provided by the Cooperative, at the Interconnection Customer's expense, in accordance with Chapter 314 and the provisions of the Cooperative's Terms and Conditions.

- F. Interconnection Customer shall provide and maintain communications lines as may be required for transmitting operational and meter data related to the Generator interconnection, and to otherwise reasonably support the coordinated operation of the Cooperative's system with the Generator.
- G. Except as may be otherwise provided for in Chapter 314, invoices presented by the Cooperative to the Interconnection Customer for one-time charges shall be due and payable upon presentation and shall become past due if not paid within thirty days of the invoice date.
- H. The Cooperative may reasonably require the Interconnection Customer to provide written acknowledgements or assurances to the Cooperative related to the interconnection and operation of the Generator.

V. Rules for Generators of 500 kW or Less

The following provisions shall apply to Generators of 500 kW or less:

- A. The Cooperative may specify reasonable operating requirements applicable to the Generator in addition to those otherwise provided for herein. If such additional operating requirements are specified, they shall be listed in writing and provided to the Interconnection Customer. The Cooperative shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The parties shall make reasonable efforts to cooperate in meeting requirements necessary for the Generator to commence and continue operations.
- B. The Cooperative may require the Interconnection Customer to provide written acknowledgment to the Cooperative regarding: (i) the operating requirements of the Generator; and (ii) ongoing charges to the Interconnection Customer as may be permitted under this Schedule, the Cooperative's Terms and Conditions or Chapter 314.
- C. Each party shall design, install, operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise expressly agreed between the Cooperative and the Interconnection Customer. Each party is responsible for safe installation, operation, maintenance, repair, and condition of its respective lines and appurtenances in accordance with all applicable codes and standards on its respective side of the Point of Interconnection.
- D. The Interconnection Customer shall design, install, maintain, and operate the Generator so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the Cooperative's facilities or equipment, or other interconnected utility systems, and to otherwise maintain and operate the Generator in accordance with the specifications and certifications under which the Generator was initially installed and interconnected.
- E. The Cooperative may require the Interconnection Customer to install, own and maintain a lockable, Cooperative-accessible, load breaking manual

disconnect switch between the Generator and the Cooperative's facilities at each Point of Interconnection.

- F. The Interconnection Customer shall design and operate the Generator to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading and 0.95 lagging, unless the Cooperative has established different requirements that apply to all similarly-situated Generators connected to Cooperative facilities on a comparable basis. Such requirement shall not apply to wind Generators.
- G. The Interconnection Customer shall test and inspect its Generator and interconnection facilities prior to interconnection. The Generator shall not begin parallel operation until the Cooperative has inspected the Generator's protective equipment settings or has waived its right to inspection. The Interconnection Customer shall notify the Cooperative when the Generator installation and protective equipment installation is complete. Unless otherwise mutually agreed, the Cooperative shall have five business days to perform its inspection. Each party shall be responsible for its own costs associated with inspections. Static-inverter connected Generators of not more than 10 kW shall not be subject to this inspection requirement. Any inspection by the Cooperative or lack thereof shall not be deemed to be or construed as representation, assurance, guarantee or warranty by the Cooperative of the safety, durability, suitability or reliability of the Generator or any associated control, protective and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Generator.
- H. The Interconnection Customer shall submit a formal request to the Cooperative in accordance with Chapter 314, prior to changing the rated capacity, electrical characteristics or operating specifications of any Generator. Changes to the Generator or its mode of operation, either of which may have a material impact on the safety, reliability or power quality of the Cooperative's facilities or equipment or other interconnected systems, shall not be made prior to the Cooperative providing written authorization to the Interconnection Customer. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modifications without the Cooperative's prior written authorization, then the Cooperative shall have the right to temporarily disconnect the Generator.
- I. The Interconnection Customer shall notify the Cooperative as soon as practicable in the event of an emergency condition of the Generator or its mode of operation, if the Interconnection Customer has reasonable cause to believe that such condition may have a detrimental impact on the Cooperative's system, customers of the Cooperative, other interconnected systems or the safety of persons or property.
- J. The Interconnection Customer shall immediately notify the Cooperative of any changes in the ownership of, operational responsibility for or contact information for any Generator.

K. All communications required or authorized under this Schedule SGI .E shall be provided in writing, and shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person designated by the request form submitted by the Interconnection Customer or as updated by Paragraph 10, above.

L. Limitation of Liability

Each Party's liability to each other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of obligations under Chapter 314 and this Schedule, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Schedule, Chapter 314 or the Cooperative's Terms and Conditions.

Neither Party shall be liable to the other under any provision of Chapter 314 or this Schedule for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

M. Indemnity

1. This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Schedule. Liability under this provision is exempt from the general limitations on liability found in Paragraph 12, above.
2. Each Party shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under Chapter 314 or this Schedule on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.
3. If an indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

4. If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
5. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or small generator investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

VI. Generators of More Than 500 kW and Not More Than 20 MW

Generators of more than 500 kW and not more than 20 MW shall request to be interconnected in accordance with the "Levels 2 and 3 interconnection request general requirements" set forth in Chapter 314. (See 20VAC5-314-50 (2009))

VII. Generators of More Than 20 MW

Generators of more than 20 MW shall be interconnected under separate bilateral arrangements between the Cooperative and the Interconnection Customer.

VIII. Grandfathered Interconnections

A Generator interconnection being processed or existing prior to May 21, 2009, may be completed or continue under the pre-existing procedures, agreement, or arrangement. Upon a change in the rated capacity, the mode of operation, or the electrical characteristics of the Generator, one of the following shall occur:

- A. Upon mutual agreement, the Cooperative and the Interconnection Customer shall modify such pre-existing agreement or arrangement to accommodate such change.
- B. Upon request of either the Interconnection Customer or the Cooperative, the terms of interconnection shall be revised prospectively in accordance with the then-effective Schedule and Terms and Conditions on file with the Commission. Notwithstanding this opportunity for prospective revision, any charges for facilities or services provided by the Cooperative as established under the previous arrangements will continue in connection with the continued provision of such facilities or services, and shall be set forth in an appropriate agreement.