

TARIFFS

OF

NUECES ELECTRIC COOPERATIVE, INC.

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“An Electric Utility”

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SECTION: UTILITY OPERATIONS

101. Description of Electric Utility Operations

101.1 Organization

Nueces Electric Cooperative, Inc. is an electric cooperative corporation organized and operating under the Electric Cooperative Corporation Act (Chapter 161 of PURA) and the laws of the State of Texas and is owned by its Members. The Cooperative's business affairs are managed by a board of directors who are elected to the board in accordance with the provisions of the bylaws from and by the Cooperative's members.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

101.2 Type of Service

The Cooperative provides electric utility service through the operation of a retail electric distribution system. The Cooperative does not engage in the generation of electric power.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

101.3 Service Area

A. Certification

The Public Utility Commission of Texas (PUCT) authorized the Cooperative to provide electric utility service by the issuance of a Certificate of Convenience and Necessity (CCN). A copy of the CCN may be obtained from the PUCT at 1701 N. Congress (P O Box 13326, Austin, TX 78711-3326), Austin, Texas.

B. Counties

The service area of the Cooperative includes all or portions of the following counties:

Brooks	Kleberg
Duval	Live Oak
Jim Wells	McMullen
Kenedy	Nueces

C. Cities

The service area of the Cooperative includes all or portions of the incorporated municipalities of Agua Dulce, Bishop, Corpus Christi, Driscoll, Kingsville, Petronila, and Robstown.

APPROVED: 05/15/00
EFFECTIVE: 05/15/00

102. Purpose and Scope

These tariffs define the service relationship between the Cooperative and persons desiring or receiving electric utility service from the Cooperative.

Contractual rights and obligations of both parties are specified in a manner consistent with regulations affecting the Cooperative's method of operation.

These tariffs are a part of the Electric Service Agreement.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

103. Applicability of Tariffs

These tariffs are applicable to the provision of all electric utility service by the Cooperative in all areas in which the Cooperative provides service except as may be precluded by law.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

104. Severability

If any provision of these tariffs is held invalid, such invalidity shall not affect other provisions or applications of these tariffs which can be given effect without the invalid provision or application, and to this end the provisions of these tariffs are declared to be severable. These tariffs shall not be construed so as to enlarge, diminish, modify, or alter the jurisdiction, powers or authority of the Cooperative granted by appropriate Regulatory Authority.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

105. Modification of Tariffs

Any class of service may be redefined and these tariffs may be changed, modified, or abrogated in whole or in part by any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Cooperative, a Member, or otherwise. Any changed tariff or redefined class of service shall be applicable to electricity and related services provided from and after the effective date of such change.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

106. Waiver

The failure of the Cooperative to enforce any of the provisions of this tariff shall not be considered a waiver of its right to do so.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

201. Rate Classification and Assignment

Rates in this section are for the availability of electric service and for the delivery of power supply. The Member may select a Retail Energy Provider from those providing Power Supply Service in the Cooperative's service territory.

Rate classification and assignment shall be made by the Cooperative in accordance with the availability and type of service provisions in the Cooperative's rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. If Member's request for electric service involves unusual circumstances, usage, or load characteristics not regularly encountered by the Cooperative, or if the Member may qualify for service under more than one of the Cooperative's available schedules, the Cooperative shall provide service under the rate schedule determined by the Cooperative to be most applicable, or enter into a special contract. Any special contract shall be subject to the approval of any Regulatory Authority having jurisdiction thereof.

Upon request for service by a residential applicant or request for a transfer of service by a residential Member, the Cooperative shall inform the residential applicant or residential Member of the Cooperative's lowest-priced service alternatives available at the service location, giving full consideration to equipment options and line extension charges, if any.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

202. Seasonal/Minimal Service

Members requiring service only during certain seasons of the year or accounts that seldom use electric power and energy in excess of the scheduled minimum amounts shall be served in accordance with the applicable rate schedule for the appropriate class of service, except that Members shall pay not less than twelve (12) times the minimum charge under the appropriate rate schedule or line extension contract as if service were extended and used for an entire 12-month period.

Members shall pay the entire annual minimum charge for seasonal service in lump sum payment at the beginning of the applicable season.

Seasonal service includes, but is not limited to, service to water wells, hunting facilities, fishing facilities, vacation and seasonal homes, and other similar types of service.

Service under this rate shall be provided at the Member's option.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

203. Rate Schedules

203.1 General Service

A. Availability

Single-phase General Service is available to Members in accordance with the Cooperative's Service Rules and Regulations for the following purposes:

1. for domestic uses associated with the operation of a single- or multi-family residential installation;

and

2. for farming, ranching, and commercial uses other than oil well pumping and cotton gins;

and

3. schools, churches and community halls.

B. Type of Service

Single-phase and multi-phase service at the Cooperative's standard secondary distribution voltages, where available, with less than 35 kW peak demand in the preceding 12 months.

C. Monthly Rate

Each billing period, the Member shall be obligated to pay the following charges:

Customer charge, per meter	
Single-phase service	\$32.50
Three-phase service	\$80.00
Distribution Charge, per kWh	\$0.0294

D. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1.

- (a) The applicable Customer Charge of this tariff; or
- (b) The amount stated in the Agreement for Electric Service,

whichever is greater;

plus

2. Any applicable billing adjustments

plus

3. Any applicable service fees.

Additionally, Members in San Juan and Ben Bolt shall pay a street lighting charge of \$0.75 per month.

APPROVED: 10/23/2018
EFFECTIVE: 3/1/2019

203.2 Large Power Service

A. Availability

Multi-Phase Large Power Service is available to Members having a peak demand of 35 kW or greater during the most recent 12 months in accordance with the Cooperative's Service Rules and Regulations for commercial and industrial uses other than cotton gins and standby service.

B. Type of Service

Single-phase and three-phase service at the Cooperative's primary or secondary distribution voltages, where available.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

Customer Charge, per meter	\$96.50
Demand Charge, per billing kW	\$5.35
Distribution Charge, per kWh:	\$0.00000

D. Billing Demand

This charge for the rate at which energy is used is applied to the maximum kilowatt demand for any period of fifteen consecutive minutes during the billing period as adjusted for power factor, but in no event is billing demand less than 85% of the highest adjusted kW demand established in the eleven months preceding the billing period, or 35 kW.

E. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1.

- (a) The customer charge plus the demand charge; or
- (b) The amount stated in the Agreement for Electric Service,
whichever is greater;

plus

2. Any applicable billing adjustments;

plus

3. Any applicable service fees.

F. Primary Service Discount.

1. If service is provided at primary distribution voltage, the Demand Charge shall be reduced by \$0.15 per kW.

The Cooperative may meter at secondary voltage and estimate transformation loss.

2. If service is not measured at the point of service delivery, measured usage shall be adjusted to reflect actual usage. However, an adjustment to measured usage will not be required if metering at primary voltage provides an economic benefit to the customer (i.e., qualification for less costly service rate or avoidance of multiple metering resulting in a higher total bill) and the contract for service specifies that measured usage will not be adjusted for transformation and line losses.

G. Demand and Power Factor Metering

The Cooperative shall have the right to make such measurements by test at any time, or install meters permanently, or agree with the consumer on the estimated demand and power factor to be used for billing.

H. Power Factor Adjustment

Demand charges may be adjusted to correct for average power factors lower than 95%. Measured demand may be increased by 1% for each 1% by which the average power factor is less than 95% lagging. The power factor shall never be leading.

APPROVED: 10/23/2018
EFFECTIVE: 3/1/2019

203.3 Oil Well Pumping Under 35 kW

A. Availability

Single- or Multi-Phase Oil Well Pumping Service is available to Members whose peak demand is less than 35 kW in accordance with the Cooperative's Service Rules and Regulations for oil well pumping and associated uses.

B. Type of Service

Single- or Multi-phase service at the Cooperative's standard secondary distribution voltages, where available, not exceeding 50 kVA installed capacity.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

Customer Charge, per meter	\$68.00
Distribution Charge, per kWh	\$0.0294

The Customer Charge is an availability charge for providing electric distribution service and does not include any energy.

The Distribution Charge for the delivery of energy shall be applied to all kWh usage during a billing period.

D. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1. (a) The customer charge; or
- (b) The amount stated in the Agreement for Electric Service,
whichever is greater;

plus

2. Any applicable billing adjustments;

plus

3. Any applicable service fees.

E. Power Factor Adjustment

Demand charges may be adjusted to correct for average power factors lower than 95%. Measured demand may be increased by 1% for each 1% by which the average power factor is less than 95% lagging. The power factor shall never be leading.

APPROVED: 10/23/2018
EFFECTIVE: 3/1/2019

203.4 VACANT

203.5 Cotton Gin

A. Availability

Available to Customers in accordance with the Cooperative's Service Rules and Regulations for cotton gins and in conjunction with the Cooperative's Wholesale Power Supplier's Cotton Gin Load Management program.

B. Type of Service

Three-phase service at the Cooperative's primary or secondary distribution voltages, where available.

C. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges:

Annual Customer Charge, per meter	\$4,386.00
Customer Charge, per meter	\$365.50
NCP Billing kW	\$6.20
Distribution Charge per kWh	\$0.000000

The Customer Charge is an annual availability charge for providing electric distribution service for each calendar year in which the Customer is connected for any portion of the year. The Customer shall be obligated to pay the Customer Charge whether or not any energy is actually used.

The non-coincident (NCP) billing demand shall be the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

D. Billing Adjustments

All bills shall be subject to applicable billing adjustments as provided in this tariff.

E. Power Factor Adjustment

The customer agrees to maintain unity power factor as nearly as practicable. NCP demand charges may be adjusted to correct for average power factors less than ninety-five percent (95%). The demand shall be taken at 95% of the highest kVA demand recorded during the period.

F. Minimum Monthly Charges

Each billing period the Customer shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used.

1. The Customer Charge plus the NCP Demand Charge or the amount stated in the Electric Service Agreement, whichever is greater;

and

2. Any applicable billing adjustments;

and

3. Any applicable service fees.

G. Demand and Power Factor Metering

If the rate schedule provides for measurement of demand or power factor, the Cooperative shall have the right to make such measurements by test at any time, or install meters permanently in order to determine the demand and power factor values to be used for billing.

H. Terms of Payment

All bills are due and payable monthly within sixteen (16) days after bills have been issued by the Cooperative. After this date a one-time late payment penalty of seven percent (7%) of the outstanding balance will be added to the amount due.

APPROVED: 10/23/2018
EFFECTIVE: 3/1/2019

203.6 Security/Street Light Service

A. Availability

Security/Street Light Service is available to Members, municipalities and governmental authorities in accordance with the Cooperative’s Service Rules and Regulations for pole mounted area security and street lighting near the Cooperative’s electric distribution lines with existing transformers.

B. Type of Service

Single-phase service at the Cooperative’s standard secondary distribution voltages.

; HPS = High Pressure Sodium; MH = Metal Halide; X= Cobra Head assembly.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	<u>Watt</u>	<u>kWh Per Month</u>	<u>Charge</u>
HPS			
	100	36	\$9.27
	250	91	\$10.95
	1000	365	\$32.12
HPSX	70	26	\$12.78
	100	36	\$12.78
	150	55	\$12.78
	250	91	\$14.02
LED	57	20	\$8.96
LEDX	38	20	\$12.35
LEDX	55	41	\$13.55
LEDX	80	83	\$25.01
MH/HPS	400	146	\$25.89
MH	1000	365	\$32.12
Metered	1000		\$6.92
Add'l Pole Chg.			\$4.52
Decorative Fixture (HPS)	150	55	\$27.17
Decorative Add'l Pole Chg.			\$27.12

For non-standard items, such as decorative poles, member may be required to contribute the difference in aid to construction or sign a contract to amortize additional costs based on a 120-month schedule.

D. Billing Adjustments

The monthly rate is subject to all applicable billing adjustments. Billing adjustment each period shall be based on the estimated kWh usage derived from total hour darkness obtained from Nautical Almanac Office, U.S. Naval Observatory (moon "average" shown for reference).

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

203.7 Standby with Maintenance PowerAvailability

This rider is available to customers requesting Standby with Maintenance Power from retail energy providers which may be substituted, either directly or indirectly, for customer-owned and operated power production equipment or other source of power when taken alone or in conjunction with rate schedule "Large Power Service" on execution by the customer of Cooperative's electric service contract. Service is available only if Cooperative's existing facilities are adequate or if adequate facilities can be built or rebuilt at customer's expense, to provide such service and if service to customer will not, in Cooperative's sole judgment, impair Cooperative's ability to serve the requirements of its existing customers. Customer's source of power may be operated in parallel with Cooperative's system in accordance with Cooperative's Parallel Generation Requirements in Section III, Sheet 38 of the Cooperative's Service Rules and Regulations provided customer installs such protective equipment as Cooperative may reasonably require to protect both customer's equipment and Cooperative's equipment in the event of malfunction on either system.

THE CUSTOMER AGREES TO ASSUME LIABILITY FOR ANY AND ALL DAMAGES AS A RESULT OF PARALLEL OPERATION TO THE EXTENT ATTRIBUTABLE TO THE CUSTOMER'S SOURCE OF POWER AND AS FURTHER PROVIDED IN THE TERMS OF THE COOPERATIVE'S "PARALLEL GENERATION REQUIREMENTS" IN SECTION III, SHEET 38 OF THE COOPERATIVE'S SERVICE RULES AND REGULATIONS.

Cooperative will provide at its expense the normal metering equipment for the size and type of load served. Cooperative will provide, at customer's expense, other metering equipment on the service and/or the other source of power determined by the Cooperative as necessary.

Standby Power

Cooperative agrees to deliver Standby Power up to but not exceeding the amount stated on the electric service contract, hereinafter referred to as the "Contract Capacity for Standby Power" or "Standby Contract Capacity". The minimum provisions of any rate do not apply for billing purposes to this rider. If customer's metered demand exceeds the Standby Contract Demand, the excess will be billed at the demand charge of the applicable rate schedule for two months and, with the written consent of the Cooperative, the Standby Contract Demand will be increased to the demand level established that month for the duration of the contract, not to exceed twenty-four (24) months. However, the maximum Standby Contract Demand shall not exceed the demonstrable capacity of customer's generating units operating at customer's location and at 95 degrees Fahrenheit ambient air temperature. In the event that customer's metered demand exceeds the maximum demonstrable capacity of customer's generating units, such excess will be billed in accordance with the rate schedule for a period not to exceed twelve (12) months.

Monthly Rate

Customer Charge, per meter	\$694.00
Demand Charge, per contract kW	\$5.00
Distribution Charge, per kWh:	\$0.0000

Contract kW

The contract kW shall be the greater of the kW established in the Electric Service Agreement or the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

Scheduled Maintenance Power

In order to qualify for scheduled Maintenance Power, the following conditions must be met:

1. Customer must submit to Cooperative at least 50 days prior written notice of the intent to perform maintenance.
2. The outage or outages may include up to four occasions, which total up to _____ days in a calendar year but must be scheduled, with Cooperative's approval, during the period starting on October 1 and ending on December 15 (inclusive) or during the period starting on, February 15 and ending on April 30 (inclusive). Customer must provide the Cooperative with a window for maintenance that will count against these _____ days and any maintenance that is outside this window will not be billed as scheduled Maintenance Power. Cooperative must be provided at least 50 days prior notice to any change in the customer's maintenance schedule.

Service in Conjunction with Other Services

When service under this rider is taken in conjunction with other service, the following allowance applies.

During periods of forced shutdown, power production equipment failure or scheduled or unscheduled maintenance, that portion of the customer's metered demand attributable to load for which this Service is provided will be ignored both for computing current monthly payments for other services provided to the customer and in determining minimums or other factors affecting billing in future months for other service supplied to the customer.

Terms and Conditions

Service furnished under this rider is subject to all provisions of the rate schedule which is applicable and made a part of this contract, except for those which are specifically modified herein. Where a choice exists in this rider between specification of demand units of kW and kVA, the units used will be those used to measure demand in the rate which the customer is taking service.

APPROVED: 10/23/2018
EFFECTIVE: 3/01/2019

203.8 College Discount Rider

A. Application

Applicable in conjunction with an otherwise applicable rate schedule for electric service to any facility of any four year state university upper level institution, Texas state technical college, or college to which the Cooperative is required to discount the base rates, as provided in PURA 95, Section 2.2141. The provisions of the applicable rate schedule are modified only as shown herein.

B. Monthly Rate

In accordance with the terms of the applicable rate schedule, except that the amount due under the applicable rate schedule, minus the cost of purchased electricity applicable to the customer and excluding any adjustment factors, cost recovery factors, or specific facilities charges, and service fees, is reduced by 20%.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

203.9 Unmetered Service

A. Availability

Unmetered service may be available, at the discretion of the Cooperative for member owned fixed load equipment when conditions warrant due to public safety, aesthetics, or the potential for vandalism of metering equipment. The load of the member owned equipment must be reasonably determined from the equipment rating label or actual measurement of the load while in operation. The member and Cooperative must agree on an estimate of the constant monthly kWh to be used for billing purposes.

Unmetered service will be supplied only at single phase 60Hz at one of the standard voltages generally available from the Cooperative.

The Cooperative will require a written agreement listing the locations of each point of service, the connected load and the total kWh to be used for billing for each point of service. For this purpose, the point of service is where the member owned equipment connects to the lines of the Cooperative. Written notice will be required in advance of any additions, deletions or changes in the connected load served. It is the responsibility of the member to notify the Cooperative of any additions or reductions in load. All billing adjustments will be effective with the date of receipt of notice by the Cooperative or the effective date indicated in the notice. The Cooperative shall not be required to adjust any billings rendered prior to the effective date or date of receipt of proper notice.

The kWh for the member's load will be the total KW as listed on the manufacturer's rated input wattage of the equipment or the actual test load, whichever is greater multiplied by the hours of operation per month. This value will be used each month until changed or cancelled.

For equipment installed or mounted or supported by Cooperative owned poles, arms, devices, etc. a facility charge will apply per device so attached or supported.

Antennas, brackets, and miscellaneous hardware will be included in the facility charge for the device to which it attached. For equipment that utilizes a separate power supply and has multiple devices attached, each device will be charged the facility charge and the power supply will be included in the facility charge for the devices attached to it.

B. Type of Service

Single-phase service at the Cooperative's standard secondary distribution voltages.

C. Monthly Rate

Each billing period, the member shall be obligated to pay the following charges:

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Customer charge per point of service	5.00
Facility Charge (per device)	2.00
Distribution Charge, per kWh	\$0.0294

D. Billing Adjustments

The monthly rate is subject to all applicable billing adjustments.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

203.10 VACANT

203.11 Small Power Production and Cogeneration Under 100 kW

A. Applicable Areas

This tariff shall apply in the counties of Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, and Nueces.

B. Small Power Production and Cogeneration

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

C. Obtaining Interconnection

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

1. Comply with Tariff

Apply for interconnection, provide an easement satisfactory to the Cooperative, and otherwise comply with the tariff of the Cooperative.

2. Provide Information

At least sixty (60) days in advance of interconnection, Producer shall submit a plan showing the electric design of the generation installation including equipment for interconnection with the Cooperative's system. Producer shall also provide such additional information as may be required by the Cooperative. In the event Producer's plan involves the use of non-standard equipment or design techniques, the Cooperative may require such plan be approved by a registered professional engineer and the Producer shall pay all fees in obtaining this approval. Any review or acceptances of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost effectiveness, safety, durability, or reliability of generating installations.

3. Pay for Extension of Cooperative's Facilities

Comply with conditions for extension of the Cooperative's distribution system as may be determined by the Cooperative in accordance with the Cooperative's Line Extension Policy, Section 313, and other operating policies.

If an extension of Cooperative's distribution system is required for sale or receipt of electric energy to or from a generating installation, whether or not in conjunction with another use, the Cooperative shall exercise prudent jurisdiction in determining the conditions under which such extension will be made. Each case shall be viewed individually considering:

- (a) cost to provide service,
- (b) longevity of the load,
- (c) annual load factor,
- (d) possibility of other loads developing along the proposed line extension,
- (e) longevity, capacity, and dependability of power to be received by the Cooperative,
- (f) anticipated annual revenue, and
- (g) compatibility with planned system improvements.

The Cooperative may require Producer to pay a nonrefundable contribution in aid of construction, and may require a contract term of up to five years.

4. Provide Liability Insurance

Furnish a certificate from Producer's insurance carrier showing satisfactory liability insurance, including contractual liability insurance covering indemnity agreements which insures Producers and names Cooperative as additional insured against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Producer's generating equipment. The amount of such insurance coverage shall be at least \$500,000 per occurrence. The certificate shall also provide that the insurance policy will not be changed or canceled during its term without thirty (30) days written notice to the Cooperative.

5. Sign Contract

Sign and delivery to the Cooperative an Agreement for Interconnection and Parallel Operating of a Cogeneration or Small Power Production Installation; 100 kW or Less, the form of which has been approved by the Public Utility Commission and is contained in these tariffs.

6. Complete Construction

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

7. Comply with Laws

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

8. Notify Cooperative

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

9. Eliminate Conditions Preventing Interconnection

In the event that it comes to the attention of the Cooperative that there are conditions preventing safe interconnection and proper parallel operating, Cooperative shall notify Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected and Producer has provided at least ten (10) days written notice to the Cooperative.

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

D. Parallel Operation

1. Installation

With the exception of only the Cooperative's Meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance, and operation of the power generating installation at and beyond the point where Producer's conductors contact Cooperative's conductors.

The Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations, and prudent engineering practices.

2. Self-Protected Generating Installation

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

The Producer's power generating installation will also be designed, installed, and maintained to be self-protected from normal and abnormal conditions in the Cooperative's electric distribution systems. The conditions for which the power generating installation shall be self-protected will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular generating installation characteristics and/or distribution system characteristics so warrant.

3. Quality of Service

Producer's generating installation will generate power at the nominal voltage of the Cooperative's electric distribution system at the Producer's delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz plus or minus one-tenth (1/10) Hz. Producer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety-five percent (95%) lagging or leading, the Producer will provide factor correction within ten percent (10%) of unity or reimburse the Cooperative for the cost of any necessary correction.

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

4. Safety Disconnect

The Producer, or at the Producer's option, the Cooperative, shall provide and install, at the Producer's expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by the Cooperative padlock. The Cooperative shall have the right to lock the switch open whenever, in the judgment of the Cooperative:

- (a) it is necessary to maintain safe electric operating or maintenance conditions;
- (b) the Producer's power generating installation adversely affects the Cooperative's electric distribution system;
- (c) there is a system emergency or other abnormal operating condition which warrants disconnection;
- (d) the Producer fails to maintain acceptable liability insurance;
- (e) the Producer fails to reimburse the Cooperative for costs incurred as a result of the Producer's power generating installation.

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

5. Access

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

6. Modifications of Cooperative System

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

7. Liability for Injury and Damages

Producer assumes full responsibility for electric energy furnished to him at and the past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Producer arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Producer's generating installation except:

- (a) when the negligence of Cooperative or its agent(s) was the sole proximate cause of injuries, including death therefrom, to Producer or to employees of Producer or in the case of a residential Member/Producer, to all members of the household; and
- (b) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from
 - (i) any negligence of Cooperative or its agent(s) independent of and unrelated to the maintenance of Cooperative's facilities or any condition on Producer's premises; or
 - (ii) the breach by Cooperative of any provision of any contract regarding purchase and/or sale of electric energy or service between Cooperative and Producer.

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

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

8. Metering

If the output of the Producer's generating installation is to be purchased by the Cooperative, it will be measured by meters and metering configurations as required for the metering option chosen by the Producer. Under one option, the Producer would sell net surplus output in excess of other requirements, and under the other option Producer would sell total output. Any necessary meter(s) or meter modifications in addition to one standard service meter will be installed, maintained, and operated by the Cooperative at the Producer's expense. A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer.

The metered output of Producer's generating installation will be read by the Cooperative.

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Producer or the Cooperative may reasonably request such test, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then

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

9. Notice of Change in Installation

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

10. Insurance

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

E. Sales to Producer

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

F. Purchase from Producer

1. Rate

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

- (a) Capacity – No payment except by separate firm power contract between the Producer and the Cooperative.
- (b) Energy – The metered kWh output from the Producer will be purchased at the Cooperative’s total energy and fuel cost divided by the total kWhs purchased as calculated from the most recent wholesale power bill.

In the event that the Producer exercises the option to sell power to the Cooperative, there will be, in addition to the minimum monthly bill requirements under the applicable service rate schedule(s), a customer service charge of \$12.00 per month for metering and billing.

2. Refusal to Purchase

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

G. Definitions

- 1. Power Generating Installation, Generating Installation – shall mean a small power production or cogeneration facility which is a “qualifying facility” under Subpart B of the Federal Energy Regulatory Commission’s Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978, including any generator and associated equipment, wiring, protective devices, or switches owned or operated by Producer.
- 2. Producer means any person, firm, corporation, partnership, or other entity owning or operating a power generating installation.

APPROVED: 06/26/00
EFFECTIVE: 08/01/00

203.12 Purchases/Sales From/To Qualifying Facilities

A. Purchase From Qualifying Facilities

1. Waiver of Purchase/Sale Obligations

By its order in Docket 7754, the Public Utility Commission of Texas (the “PUC”) granted to South Texas Electric Cooperative (“STEC”) a waiver of its obligations to sell retail capacity and energy to Qualifying Facilities (“QFs”) and granted to Karnes Electric Cooperative, Inc.; Nueces Electric Cooperative, Inc.; San Patricio Electric Cooperative, Inc.; Victoria Electric Cooperative, Inc.; and Wharton County Electric Cooperative, Inc. (collectively the “Wholesale Members”) a waiver of their obligations to buy capacity and energy directly from QFs. STEC will purchase energy and capacity which a QF may seek to sell and the Wholesale Members will sell retail capacity and energy to QFs within the wholesale Member’s service area.

2. Purchases from QFs by STEC

STEC’s payment to QFs for purchases of energy and capacity will be based upon the cost STEC can avoid, which is in turn based upon the incremental cost of energy and capacity to the STEC/Medina Power Pool as more particularly set forth in STEC’s avoided cost filing with the PUC. A QF selling energy and/or capacity to STEC at a price based on STEC’s avoided cost shall not be required to pay or absorb any expense in connection with the transmission of such QF energy and/or capacity to the STEC system from a point of interconnection between the QF and a Wholesale Member, except as would otherwise be required under PUC Substantive Rules (Sec. 25.242(1)).

3. Superseding Effect

To the extent that any other provisions of this tariff, previously approved, are contrary to the waivers granted by the PUC in Docket 7754 such provisions are superseded and no longer of any effect.

B. Sales to Qualifying Facilities

1. Availability

This tariff is applicable to sales of electricity to a QF as defined in Section 3 (18) and of the Federal Power Act, as amended, 16 U.S.C.A. 796 (18) and regulations thereunder provided the QF is interconnected with and served directly from the transmission system of STEC and provided the QF is located in the retail service area of the Cooperative.

2. Type of Service

Retail electric service for Supplementary, Back-up, Maintenance, and Interruptible Power or combinations thereof.

3. Rates

Rates for sales shall be just and reasonable and shall not discriminate against a QF in comparison to rates for sales to other customers served by the Cooperative. The rate, exclusive of cost reimbursement under Section 25.242(1), to be charged by the Cooperative for such retail service(s) shall be developed at the time such service is requested, and shall be designed on a basis which:

- (a) excludes system distribution costs to the extent the Cooperative's distribution facilities and services are not involved in the rendition of such service, and
- (b) is uniform among the STEC Member distribution cooperatives providing such service insofar as the cost of power and energy from STEC to STEC's Member cooperative. The Cooperative waives the monthly customer service charge for QFs selling energy and/or capacity directly to STEC.

4. Interconnection Standards

Interconnections shall be carried out in a manner consistent with the standards utilized by STEC in establishing interconnections generally, and in compliance with the Interconnection Plan developed by, and on file with, the Cooperative pursuant to Section 25.242(h)(5) of the Substantive Rules of the Public Utility Commission of Texas.

5. Interconnection Costs

The QF shall pay in advance all interconnection costs, in accordance with Section 25.242(1) of the Substantive Rules of the Public Utility Commission of Texas. QF electing to take service under the terms described above shall be subject to duplicate interconnection charges for wheeling of back-up power from the Cooperative, and, no QF shall be required to build separate facilities to the Cooperative to receive back-up services.

6. Terms & Conditions

The availability of this tariff and terms and conditions under which this tariff is applied shall be subject to the provisions of Section 25.242 of the Substantive Rules of the Public Utility Commission of Texas including subsection (k)(2)(B).

APPROVED: 06/26/00
EFFECTIVE: 08/01/00

203.15 Wholesale Transmission Service at Distribution Level

A. Application

Nueces Electric Cooperative shall make wholesale transmission service at distribution voltage level available under this schedule to eligible transmission service customers as defined in P.U.C. SUBST. R. 25.5(81).

B. Type of Service

The service provided pursuant to this tariff is transmission service, as defined in Public Utility Commission of Texas (Commission) Substantive Rules, using the Cooperative’s facilities rated below 60 kilovolts. This rate schedule is not applicable to service offered by the Cooperative under another rate schedule. Service under this tariff is only available for wholesale service to eligible transmission service customers and is not available for retail service.

C. Conditions of Service

An eligible transmission service customer requesting service under this tariff shall make such request in accordance with P.U.C. SUBST. R. 25.198. If adequate facilities are not in place at the time service is requested, the Cooperative will construct new facilities or alter existing facilities as necessary, and make the service available, as soon as reasonably possible. A contribution in aid of construction may be required if facilities must be constructed to provide the service, or if existing facilities must be altered to provide the service, in accordance with Commission Substantive Rules. All facilities altered or constructed by the Cooperative will remain the property of the Cooperative.

D. Definitions

(1) Contract kW (contract demand) is the maximum kW specified in the Interconnection Agreement. Should the transmission service customer’s maximum demand exceed the contract kW specified in the Interconnection agreement, the transmission service customer’s contract kW shall, upon approval by the Cooperative, be increased to the new maximum metered demand for a period of twelve months.

(2) Wholesale Transmission Service at Distribution Level is wholesale electric service provided to an eligible customer from Cooperative’s distribution lines operated at voltages below 60 kV.

E. Monthly Rate

- (1) Monthly Facilities Charge: \$576.47
- (2) Transmission Service Charge: \$3.89 per billing kW

F. Losses

Customers taking service under this tariff shall compensate the Cooperative for losses resulting from such service. Losses shall be calculated specific for the point of interconnection for the requested service.

G. Demand Determination

Demand for calculation of the monthly bill is the larger of:

- (1) Contract kW;
- (2) The maximum metered kilowatt demand for any fifteen-minute interval, as defined by the ERCOT protocols, during the billing period as adjusted for power factor, but in no event is billing demand less than 85% of the highest adjusted kW demand established in the eleven months preceding the billing period.

H. Power Factor Adjustment

Demand charges may be adjusted to correct for power factors lower than the applicable ERCOT required power factor.

I. Payment

The monthly bill for Wholesale Transmission Service at Distribution Level is the sum of the Monthly Facilities Charge, the Transmission Service Charge and compensation for losses. Billing and Payment shall be in accordance with P.U.C. SUBST. R. 25.202. Interest will accrue on any unpaid amount, calculated in accordance with Commission Substantive Rules.

J. Agreement

An Interconnection Agreement is required for Customers directly connected to Cooperative's facilities.

K. Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction over the Cooperative's Tariff for Wholesale Transmission Service.

APPROVED: 05/22/02
EFFECTIVE: 05/22/02

203.16 Wind Farm – Standby and Auxiliary Delivery Service

A. Application.

Applicable to all wind farm customers taking the type of service described in this rate schedule. Service will be furnished under this rate schedule subject to the established rules and regulations of the Cooperative covering this type of service, including all applicable billing adjustments. All service is supplied at one delivery point and taken through a single meter for auxiliary service to the Customer.

B. Type of Service.

- (1) Three-phase service at transmission level voltage.
- (2) Wholesale Delivery Point service from the Cooperative to the Customer, with direct assignment to the Customer of cost of power purchased from the Cooperative’s power supplier.

C. Monthly Rate.

Each billing period the Customer shall be obligated to pay the following charges:

- (1) Basic Service Charge \$500.00 per meter
- (2) NCP Demand Charge: \$1.80 per NCP Billing kW

The non-coincident peak (NCP) billing demand shall be the highest of the following:

- (a) The maximum kilowatt demand for any period of ERCOT-settlement interval (currently 15 consecutive minutes) during the billing period, as indicated or recorded by a demand meter and adjusted for power factor,
- (b) The maximum NCP kW established in the previous eleven (11) billing periods; or
- (c) The amount specified in the Agreement for Electric Service between the Customer and the Cooperative.

D. Minimum Charge.

The minimum monthly charge shall be the greater of the amount as set forth in the Agreement for Electric Service referenced in 2(c) above, or the Basic Charge plus NCP Demand Charge.

E. Billing Adjustments.

This rate is subject to all applicable billing adjustments, with the exception of the Power Cost Recovery Factor adjustment.

F. Agreement.

An Agreement for Electric Service for a specified term, a specified contract capacity, and required contribution in aid of construction of additional facilities, if applicable, may be required by the Cooperative. This rate schedule may be changed by the Cooperative's board of directors and service hereunder is subject to the Cooperative's tariff for electric service.

G. Other Conditions of Service.

- (1) All wiring, pole lines and other electrical equipment beyond the metering point shall be considered the system of the Customer and shall be furnished and maintained by the Customer.
- (2) The Cooperative shall not be responsible for the purchase of any power generated by the Customer.
- (3) Customer shall be responsible for all termination fees, penalties, and any other costs incurred by the Cooperative associated with the power supply for service to the Customer.
- (4) Customer shall be responsible for all costs incurred by the Cooperative in arranging for special wholesale power supply on behalf of the Customer.
- (5) The Customer will be subject to all transmission-related cost responsibility incurred by the Cooperative directly associated with providing service to the Customer, even if such cost recovery should occur after the Customer has terminated service. To the extent that such cost is not included in the Monthly Rate, Customer shall be responsible for the incremental transmission cost.
- (6) This rate schedule may be changed by order or consent of regulatory authorities having jurisdiction, or if none, by the Cooperative's board of directors in accordance with applicable laws.
- (7) All other conditions of service hereunder are subject to the Cooperative's tariff for electric service.

APPROVED: 03/06/09
EFFECTIVE: 03/06/09

203.17 Large Power Over 2 Megawatts

A. Availability

Large Power Over 2 Megawatts. This rate schedule is available by contract for primary voltage service to loads with a peak demand over two (2) megawatts in accordance with the Cooperative’s Service Rules and Regulations for commercial and industrial uses other than cotton gins and standby service.

B. Type of Service

Distribution wires service only. No energy. Facilities designed for delivery of three-phase power at nominal 13.8 kV.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

Transmission Service Delivery Charge:

NEC distribution area consumers have a pass-through charge from NEC's power supplier, South Texas Electric Cooperative (STEC) for transmission service. The charge is equal to:

$$\text{Transmission Service Charge} = \text{Transmission Rate } \$/\text{kW} * \text{Transmission Billing Demand}$$

Where:

Transmission Rate is established each year by STEC.

The transmission billing demand is defined in a manner consistent with ERCOT requirements with appropriate adjustment for losses.

Historically, the Transmission Billing Demand is average of the coincident peak demand contribution for the months of June, July, August, and September for the prior year at the time of the ERCOT Peak.

The manner in which STEC determines the Transmission Rate and the Transmission Billing Demand is subject to change. Whatever transmission cost the Cooperative incurs in providing service to the Customer will be directly assigned to the Customer.

Distribution Substation Delivery Charge:

NEC distribution area consumers have a pass-through charge from STEC for distribution substation service. The charge is equal to:

$$\text{Distribution Substation Service Charge} = \text{Distribution Substation Rate } \$/\text{kW} * \text{Distribution Substation Billing Demand}$$

Where:

Distribution Substation Rate is established each year by STEC.

Distribution Substation Billing Demand is the highest of:

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1. Non coincident peak demand for the current month. The demand is measured over a fifteen (15) minute period and loss adjusted to reflect service at the 138 kV level. The load is required to maintain a power factor of ninety-seven (97%) to one hundred percent (100%) as measured at the transmission voltage of each point of delivery. If the power factor drops below ninety-seven percent (97%), the demand will be adjusted so as to reflect a ninety-seven percent (97%) power factor.
2. The highest non-coincident peak demand established during the previous 11 months.
3. A non-coincident peak demand of 30,000 kW

The manner in which STEC determines the Distribution Substation Rate and the Distribution Substation Billing Demand is subject to change. The intent is whatever distribution substation cost the Cooperative incurs in providing service to the Customer will be directly assigned to the Customer.

Distribution Delivery Charges:

The monthly Distribution Line Services will consist of:

Customer Charge: \$303.00 per month

Demand Charge: \$0.475/kW of monthly billing demand

Distribution Billing Demand is calculated in the manner provided above.

Distribution Delivery Billing Demand is the highest of:

1. Non coincident peak demand for the current month. The demand is measured over a fifteen (15) minute period and loss adjusted to reflect service at the 138 kV level. The load is required to maintain a power factor of ninety-seven (97%) to one hundred percent (100%) as measured at the transmission voltage of each point of delivery. If the power factor drops below ninety-seven percent (97%), the demand will be adjusted so as to reflect a ninety-seven percent (97%) power factor.
2. The highest non-coincident peak demand established during the previous 11 months.
3. A non-coincident peak demand of 30,000 kW
Facility Charge: An amount equal to the amortization of any investment made by Cooperative to serve Customer. The amortization period will be the remaining term of the contract. The amount will be equal to facility cost less estimated salvage plus cost of removal.
4. STEC Flow Through Charge: Any other charges billed by STEC Cooperative specifically related to providing delivery service for Customer load not recovered in the Transmission Service Charge or Distribution Substation Delivery Charge.

APPROVED: 03/25/2014
EFFECTIVE: 03/25/2014

203.18 Load Resource Service Participation Rider**A. Application**

Applicable to all customers with at least 1,000 kW of Interruptible Capacity at a single location in conjunction with the Load Resource Service (LRS) tariff of the Cooperative's wholesale power supplier, South Texas Electric Cooperative, Inc.(STEC). The LRS participant shall meet all criteria established by the Electric Reliability Council of Texas (ERCOT) and STEC, and be capable of providing and willing to provide Responsive Reserve Service (RRS) as a Non-Controllable Load Resource in ERCOT.

B. Conditions of Service

Requirements to participate in the Load Resource Service (LRS) program include, but are not limited, to the following:

1. have an interruptible load of at least 1,000 kW (Interruptible Capacity) at the single location at which the Interruptible Capacity will be offered as RRS;
2. offer its Interruptible Capacity into the market no less than 4,380 hours annually on a rolling twelve (12) month basis;
3. have installed and tested the requisite under-frequency relay devices and interruption devices that meet the minimum requirements for Load Resources as set forth in STEC's Load Resource Service Tariff and referred to as the LR Technical Specifications;
4. be metered by an Interval Data Recorder (IDR) or ERCOT Polled Settlement (EPS) meter;
5. provide an interfacing point to the Cooperative to be used for the acquisition and receipt of telemetry data required by the LR Technical Specifications in STEC's Load Resource Service Tariff or by STEC;
6. register as a Load Resource under a STEC-designated Resource Entity, (as that term is defined in the ERCOT Nodal Protocols) registration;
7. provide direct interruption capability to STEC for purposes of curtailing the retail Load when directed to do so by ERCOT;
8. have a dedicated individual(s) or a manned desk (the Authorized Contact) with the authority to bind the retail Load to its obligations that is available 24-hours per day and 365 days per year at the contact information provided to STEC;
9. at all times have the capability to arm or disarm the under-frequency relays and manage the retail Load to meet its RRS obligations immediately after its Authorized Contact is directed to do so by STEC and/or ERCOT;
10. agree to provide RRS as instructed by ERCOT through STEC and/or ERCOT;
11. be current with payments owed to the Cooperative related to any and all services provided to the Customer by the Cooperative;

12. comply with the standards and terms in STEC’s Load Resource Service Tariff;
13. comply with ERCOT and STEC requirements and specifications for participation in this Load Resource Service including, but not limited to, the following:
 - a. the ERCOT Nodal Protocols,
 - b. the ERCOT Operating Guides,
 - c. the ERCOT Other Binding Documents,
 - d. the ERCOT Business Procedures relating to Load Resources,
 - e. the ERCOT Requirements for Aggregate Load Resource Participation in the ERCOT Markets,
 - f. the obligations required of Load Resources as set forth by STEC, and
 - g. the STEC Load Resource Service tariff schedule;
14. timely execute, any and all required STEC and/or ERCOT forms necessary to allow the Load Resource to provide RRS consistent with STEC’s Load Resource Service Tariff and the Cooperative’s tariff, including authorization for STEC to provide QSE Services as set forth in STEC’s Load Resource Service Tariff;
15. be qualified, or provisionally qualified, by ERCOT, and be capable of providing RRS as a Non-Controllable Load Resource;
16. pay a security deposit or provide a letter of credit in an amount determined by the Cooperative at its sole discretion; and
17. comply with all provisions of this tariff.

C. LRS Compensation and Charges:

1. A monthly Customer Charge from the Cooperative of: \$100.00
2. All STEC charges and any compensation for the Customer participating in the LRS program will be directly passed-on to the participating Customer by the Cooperative upon receipt from STEC. STEC may net charges and compensation, and such charges and compensation are subject to periodic reconciliation by STEC.
3. The Cooperative will pay the participating Customer for any net compensation from STEC for the participating LRS within 10 days of receiving the compensation from STEC.
4. The Cooperative will bill the participating Customer for any net charges from STEC for the participating LRS within 10 days of receipt of invoice from STEC and the net charges are due upon receipt of invoice.
5. The Cooperative may add the monthly Customer Charge to net charges from STEC or may deduct the monthly Customer Charge from net compensation from STEC.

6. The Cooperative may require a deposit or a letter of credit, in an amount determined by the Cooperative at its sole discretion, sufficient to protect it against the assumed risk for potential costs, fees, charges, penalties, and/or fines resulting from the Customer's participation in the LRS program.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

204. Billing Adjustment

The Cooperative shall adjust all bills in accordance with the following adjustments, if applicable:

204.1 Wholesale Transmission and Distribution Cost Recovery Factor (WTDCRF)

The monthly charges for all rates (except for direct billed customers as specified below) shall be increased or decreased on a uniform per-kWh basis computed monthly as follows:

$$WTDCRF = \frac{A \pm C}{kWhs}$$

Where:

WTDCRF = Wholesale Transmission and Distribution Cost Recovery Factor (expressed in \$ per kWh) to be applied to estimated energy sales for the billing period.

A = Total Wholesale Transmission and Distribution Cost (excluding costs from that are direct billed to particular customers) from all suppliers for the billing period.

kWhs = Total estimated energy sales (excluding sales to customers that are directly billed Wholesale Transmission and Distribution Costs) for billing period.

C = Adjustment to be applied to the current monthly billing to account for differences in actual Wholesale Transmission and Distribution costs and actual WTDCRF revenues recovered in previous periods (excluding costs from all suppliers that are direct billed to particular customers).

APPROVED: 06/26/00
EFFECTIVE: 08/01/00

204.2 Sales Tax

All bills shall be increased by the amount of any sales tax attributable to the sale of electric service to the Member, unless the Member has previously provided satisfactory proof of exemption to the Cooperative.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

204.3 Gross Receipts Fees and Franchise Taxes

The Cooperative may increase each Member’s bill for service rendered within the incorporated limits of a municipality which imposes a gross receipts adjustment or franchise tax upon the revenues received by the Cooperative from its Members.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

204.4 Meter Error Adjustment (*Reference Section 205.4 of these Tariffs*)

204.5 Over/Under Billings (*Reference Section 311 of these Tariffs*)

204.6 State Agencies

Billing is made in accordance with Public Utility Commission Substantive Rule 25.29. Notwithstanding any provisions in the rate schedules with respect to when bills become past due and imposing an increased amount if bills are not paid within a specified time, all bills rendered to “State Agencies,” as that terms is defined in Article 601f, V.A.T.S., shall be due and shall bear interest if overdue as provided in said Article 601f.

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

204.7 Stranded Cost Recovery Charges.

In accordance with P.U.R.A. Sec. 39.252 and Public Utility Commission of Texas (PUCT), Substantive Rule 25.28 (f)((2))(F), retail customers in the Cooperative’s multiply certificated areas may not avoid stranded cost recovery charges by switching from another electric utility to the Cooperative. The Cooperative will bill affected customers the stranded costs established by the PUCT for the electric utility from which the customer switched and the amount collected will be remitted by the Cooperative to the electric utility from which the customer switched.

Billing for stranded costs to affected customers will be by separate invoice and subject to the Cooperative’s rules and regulations for terms of payment and disconnection for non-payment.

APPROVED: 05/24/04
EFFECTIVE: 05/24/04

205. Service Fees

205.1 Trip Fees

Except as provided in these rules, the Cooperative shall charge for each trip to a Member's premises which is requested by the Member or reasonably required under these rules, including but not limited to, the following types of trips:

A. Investigation Fee

If a Member requests that the Cooperative make an investigation of any outage or service irregularity and if the Member reports or causes to be reported a service outage or irregularity and the Cooperative determines that such outage or irregularity was caused by the Member, his facilities, equipment or installation, then the Cooperative may charge the Member \$100.00 or actual costs incurred for conducting an investigation. This trip fee shall be billed on the Member's next regular bill. If the investigation is made after normal business hours, the Cooperative shall charge \$200.00 or actual costs incurred.

B. Miscellaneous Service Fee

If a Member requests that the Cooperative make a trip to perform a service for the Member, including, but not limited to such services as security light modifications (See Section 203.6) or other similar services, the Cooperative may charge the Member \$100.00 or actual costs incurred. This service fee shall be billed on the Member's next regular bill.

C. Disconnection and Reconnection Fees

The Cooperative shall charge a fee of \$100.00 as partial compensation necessary to disconnect service or reconnect service to a Member when the service disconnection was initiated by the Cooperative under Section 307.2 or Section 307.3.

A reconnection fee may also be charged if the same Member reconnects service at the same location within twenty-four months of the Member requested disconnection of service.

A reconnection fee may also be charged for each reconnection at each seasonal service location.

If the disconnection or reconnection is made outside the normal working hours of the Cooperative, the Cooperative shall charge an additional fee of \$200.00. Disconnection or reconnection outside the Cooperative's normal working hours will be performed only upon request of the Member. These fees shall be billed to the Member on the Member's next regular bill, or on the Member's final bill if service is not reconnected.

D. Collection Fee

If Cooperative service personnel make a trip to the Member's location to disconnect service and payment for service is made by the Member to the serviceman, or if the service personnel make a trip to collect payment, the Cooperative shall charge a fee on the following basis:

\$100.00 if the trip is made during normal working hours;
\$200.00 if the trip is made outside of normal working hours.

The trip fee shall be paid at the time the trip is made and the Member's outstanding balance collected, or if not collected, added to the Member's past due amount. Collection trips outside the Cooperative's normal working hours will be performed only upon request of the Member.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

E. Meter Reading Fees

If for any reason a meter reading is not received from the Member who is designated "self reading" for three consecutive months, the Cooperative will dispatch an employee to read the meter and a charge of \$100.00 will be made to the Member's account. Meter readings are due at the Cooperative's offices no later than the 20th of each month.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.2 Membership Fee

Each applicant shall pay a Membership fee of \$15.00 upon application for service and prior to receiving service. Payment of the Membership fee shall entitle the applicant to be a Member of the Cooperative subject to the Cooperative's Bylaws, rules and regulations. Membership in the Cooperative is not transferable.

APPROVED: 03/27/00

EFFECTIVE: 03/27/00

205.3 Returned Check Fee

The Cooperative shall charge \$30.00 for each check or other form of payment which is dishonored or returned to the Cooperative, in addition to any returned check fees assessed by any associated organization. Payment for any check that has been returned for insufficient funds, or dishonored for any other reason, shall be made only by cash, money order or cashier's check.

The Cooperative may not accept personal checks from a Member for payment of electric service if that Member has, during the last twelve (12) consecutive month period, had a check returned to the Cooperative for insufficient funds, or dishonored for any other reason, on more than one occasion. The Cooperative will accept only cash, money orders, or cashiers checks from Members when personal checks are not accepted.

APPROVED: 12/08/2016

EFFECTIVE: 12/08/2016

205.4 Meter Test Fee

The Cooperative shall, upon the request of a Member, and, if the Member so desires, in the Member's presence or in that of an authorized representative, make without charge a test of the accuracy of the Member's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the Member if the Member desires to observe the test. The test shall normally be made at a test laboratory designated by the Cooperative.

If the meter has been tested by the Cooperative, or by an authorized test laboratory, at the Member's request, and within a period of four years the Member requests a new test, the Cooperative shall make the test, but if the meter is found to be within the accuracy standards established by the American National Standards Institute, Incorporated, the Cooperative may charge the Member a fee as follows:

Residential Meter Test Fee	\$15.00
Single Phase Meter Test Fee	15.00
Three Phase (kWh only) Meter Test Fee	50.00
Three Phase Demand Meter Test Fee	50.00

Following the completion of any requested test, the Cooperative shall promptly advise the Member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Incorporated, proper correction shall be made of previous readings as the meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Cooperative except to the Member last served by the meter prior to the testing. If a meter is found not to register for any period, the Cooperative shall make a charge for kWh used, but not metered, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

205.5 Delinquent Accounts Fee

The Cooperative may assess a monthly penalty not to exceed seven percent (7%) on each delinquent bill to Members receiving service under all rate schedules.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

205.6 Deferred Payment Plan Late Payment Fee

A deferred payment plan shall include a seven percent (7%) penalty for late payment.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

205.7 Reproduction of Tariff Sheets

Any person requesting a copy of all or any portion of the tariffs of the Cooperative shall pay in advance the reasonable cost of reproduction.

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

205.8 Cancellation of Contract

Any person who cancels any agreement for the provision of Electric Service after acceptance by the Cooperative but before service is initiated, shall be charged the actual costs incurred by the Cooperative.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.9 Temporary Service

The Cooperative will provide temporary service upon payment by the applicant, in advance of construction, an amount equal to the total cost of construction, plus removal cost, less salvage value of removable materials. Upon completion of construction, and closing out of the applicable work order, the consumer will be billed for any deficit or refunded any amount over the actual work order cost. Service to this classification will be billed under the applicable rate schedule.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.10 Stop Payment Fee

Any person requesting a “stop payment order” on a check issued by the Cooperative shall pay in advance a fee equal to the “stop payment fee” assessed by the participating bank, plus a \$25.00 fee to process the transaction and issue a replacement check.

APPROVED: 02/25/02
EFFECTIVE: 02/25/02

205.11 Tampering with Cooperative's Meters, Equipment or Other Property and Unauthorized Use of Electric Service

Cooperative meters, equipment or other property, whether on Member's premises or elsewhere, shall not be tampered with, relocated, adjusted, modified, interfered with, or operated by anyone other than authorized employees or agents of the Cooperative. Diversion of electric service shall be defined as tampering with meter, equipment or other property of the Cooperative, bypassing the same, or other instances of diversion, including but not limited to, physically disorienting the meter or other Cooperative equipment, attaching objects to the meter to divert or to bypass service, insertion of objects into the meter, and other electric and mechanical means of tampering with, bypassing or otherwise modifying the Cooperative's equipment or property, or any other means diverting electric service.

The Cooperative accepts no responsibility and assumes no liability, and the Member shall indemnify and hold harmless the Cooperative, for damage or injury to Member, Member's employees or relatives, Cooperative employees, or any others which results from tampering, relocating, adjusting, modifying, interfering with, or operating any of the Cooperative's meters, equipment or property.

In the event of unauthorized use or evidence of attempted unauthorized use of the Cooperative's electric service, whether by tampering with the Cooperative's meter or equipment or by any other means, electric service shall be discontinued immediately and without any notice by the Cooperative. The Member shall be required to pay all charges, including the following, before service is reconnected:

- A. A tampering charge of \$300.00 (minimum) for the unauthorized reconnection or other tampering with Cooperative's meters, equipment or other property.
- B. The cost of repair and/or replacement of any and all damaged meters, equipment or other property, and the cost of installing protective facilities or relocating the meter, equipment or other property.
- C. The charge for the estimated amount of electricity used without Cooperative authorization. This charge shall be based on amounts used under similar conditions during preceding years, or may be estimated on the basis of usage trends of similar customers and under similar conditions. Interest on the undercharged amounts estimated herein shall also be charged.

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- D. A trip fee for each trip made by Cooperative personnel to investigate, evaluate and correct the tampering or diversion.
- E. All other costs associated with the investigation, evaluation and correction of meter tampering or diversion, including personnel time, travel expenses, engineering expenses and legal expenses.

The Cooperative may, at the Cooperative's sole discretion, read the Member's meter for a period not to exceed three (3) months, or for a lesser period if the Cooperative determines that meter tampering or diversion of service is no longer occurring, and charge the Member a meter reading fee. The meter-reading fee shall be billed monthly.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

205.12 Miscellaneous Customer Billings

Work performed at the request and for the convenience of the Member may be billed on a Member job order at actual total cost.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.13 Changes in Member's Electric Load

Member shall notify Cooperative when Member's electric load is to be changed substantially in order that Cooperative may ensure its facilities are adequate.

If in the judgment of the Cooperative, any changes in the Member's electric load or service requirements necessitates additions to or modifications of the Cooperative's facilities, the Member shall pay, in advance, a refundable contribution in aid of construction not to exceed the total cost of the new construction and/or modifications required.

Contractual arrangements shall be entered into in which the Member shall receive credit on his power bill utilizing the methodology prescribed below:

$$\text{Monthly bill credit} = \text{Total job cost} \div 60$$

Term of the contract shall be five (5) years.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.14 Retail Electric Service Switchovers

A request to switch service to a consuming facility to another utility that has the right to serve the facility shall be handled pursuant to Public Utility Commission of Texas Substantive Rule 25.27, a copy of which will be provided upon request.

- A. Base charge of \$140.00 – removal of meter and loop and drop line.
- B. Base charge adder of \$20.00 – for each additional meter at the same location.
- C. Facilities recovery charge.

APPROVED: 12/17/01
EFFECTIVE: 12/17/01

205.15 Working in the Vicinity of the Cooperative's Lines or Moving Equipment and/or Houses in the Area of the Cooperative's Lines

All persons are required by State Law to notify the Cooperative if they need to perform any construction and/or work within the vicinity of the Cooperative's lines, or if they need to operate or move equipment within the vicinity of the Cooperative's lines. No one should attempt to erect television or radio antennas, irrigation systems, water wells, or perform other similar activities near the Cooperative's electric lines.

When a house, structure or large piece of equipment needs to be moved along roads, highways, or lands which are crossed by the Cooperative's electric lines, the person or persons responsible shall provide advance notice to the Cooperative of the proposed route and establish an acceptable schedule with Cooperative personnel.

In some instances, the Cooperative can de-energize its lines for a limited period of time to accommodate this type of activity, and the Cooperative may charge for the total labor plus overhead for the assistance provided by Cooperative personnel. If a relocation of facilities or the installation of protective devices and equipment is required, the Cooperative may assess a fee to cover its expenses, including labor, overhead, the cost to install and remove any equipment and/or materials, and the cost of relocation of the Cooperative's facilities. Only the authorized employees of the Cooperative may remove, relocate, alter, modify, connect, disconnect, or raise any of the Cooperative's facilities for any reason, including to accommodate house or equipment moving or any type of construction activity.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.16 Relocation or Temporary Placement of Cooperative Facilities

When any person requests the relocation of existing Cooperative facilities or the temporary placement of new facilities, the requesting person shall pay to the Cooperative, in advance, the estimated total cost of the construction, removal and/or relocations of facilities. This payment is nonrefundable.

If the relocation of Cooperative facilities is due to a road or highway widening and the relocation is requested by the appropriate governmental agency, then the governmental agency shall reimburse the total cost of the relocation.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.17 Customer Account

The Cooperative shall charge a \$25.00 Customer Account fee to establish new service to a customer. The Customer Account fee is non-refundable and shall recover the costs of clerical, supervision and serviceman's time plus transportation to connect service, process and verify data, obtain customer information, issue connect orders, and set up new customer records.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.18 Leave-on Agreement/Agreement Activity

The Cooperative shall charge a \$10.00 Leave-on Agreement fee to establish an agreement with the owner of rental property for the automatic transfer of service back to the owner's name when the unit becomes unoccupied. The Cooperative shall also charge a \$5.00 Agreement Activity fee each time an account is re-established in the owner's name. The Leave-on Agreement fee shall recover the clerical and supervision time for establishment of an agreement. The Agreement Activity fee shall recover the clerical and supervision time to transfer service.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

205.19 Meter Enclosure Seal Breakage

The Cooperative shall charge a \$75.00 Meter Enclosure Seal Breakage fee each time a Serviceman is required to reseal meter enclosures or to make minor repair to meter enclosures due to unauthorized seal removal and/or entry into meter enclosure. The Meter Enclosure Seal fee shall recover the clerical, supervision and serviceman's time plus transportation to process orders and seal, or make minor repair to, damaged meter.

APPROVED: 12/08/2016
EFFECTIVE: 12/08/2016

301. Conditions of Service

It shall be the policy of the Cooperative to supply electric service under the Cooperative's rate schedules applicable to the class of service supplied to all applicants therefore who require electric service at locations within the Cooperative's service area provided the following conditions are met:

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.1 Application for Electric Service

Any person desiring to receive electric service from the Cooperative shall apply for such service by properly completing, signing and submitting application for electric service. A separate application for electric service is required for each location where electric service is desired and is required whether the request pertains to a renewal of service or the initiation of new service.

The application for electric service must be in the correct name of the individual requesting electric service. The Cooperative may require suitable identification.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.2 Easement

The applicant shall furnish to the Cooperative, if required, an easement acceptable to the Cooperative and at no cost to the Cooperative granting the right to construct, operate and maintain any facilities which the Cooperative may be required to construct or install on the property of the applicant in order to furnish the required electric service, along with the right to replace, rebuild or remove said facilities and the right to service others from these facilities. The applicant shall allow Cooperative personnel to have free access to the applicant's premises at all reasonable hours and shall allow access any time for emergencies.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.3 Membership in the Cooperative

Applicant shall properly complete, sign and submit an application for membership to the Cooperative. The applicant shall also pay the required membership fee.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.4 Contracts

Prior to receiving service, applicants shall execute all contracts which, under the Cooperative's Rules and Regulations and/or Rate Schedules, are required in connection with furnishing the type of service for which application is being made.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.5 Fees and Deposits

Applicant shall pay to the Cooperative prior to receiving service all membership fees, deposits, connection costs, line extension costs, and any other amounts required by the Rules and Regulations of the Cooperative which have been duly authorized.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

301.6 Applicability

Service to the Member is governed by the Rules, Regulations and Rate Schedules of the Cooperative as established by the Cooperative's Board of Directors.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

302. Response to Request for Service

The Cooperative shall serve each applicant for service within its certificated area as promptly as is practical after the applicant has complied with the provisions of Section 301, Conditions of Service.

Applications for new service not involving line extensions or new facilities should be completed within seven (7) working days.

Applications for service requiring line extensions should be completed within ninety (90) days, unless unavailability of materials, inclement weather, acquisition of right-of-way, or other circumstances beyond Cooperative's control cause unavoidable delays. Within ten (10) working days of the completion of the Conditions of Service by applicant, the Cooperative shall provide the Applicant with an estimated completion date.

Any construction cost options offered by the Cooperative, including the potential sharing of construction costs between the Cooperative and the applicant, or the sharing of costs between applicants and/or Members, shall be explained to the applicant following assessment of the work necessary to extend service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303. Refusal of Service

The Cooperative may decline to serve an applicant if any one of the following conditions exist:

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.1 Failure to Fulfill Conditions of Service

If applicant has failed or refused within a reasonable period of time to fulfill the conditions precedent to electric service contained in Section 301, or

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.2 Indebtedness

If applicant has failed or refused to pay any indebtedness to any utility having previously provided applicant with electric service, or

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.3 Credit

Applicant has failed or refused to satisfactorily establish credit in accordance with the provisions of Section 305, or

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.4 Membership

Applicant has failed to qualify for membership or refused to pay the membership fee in accordance with the Cooperative's Rules and Regulations, or

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.5 Hazardous Conditions

If applicant's installation or equipment is known to be hazardous or of such character that satisfactory service can not be given, or

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

303.6 Failure to Comply with Governmental Regulations

Applicant fails to comply with state or municipal regulations governing electric service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304. Insufficient Cause for Refusal of Service

The following shall not be considered sufficient cause for refusal of service to an applicant or Member:

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304.1 Delinquency in payment for service by a previous occupant of the premises to be served;

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304.2 Failure to pay for merchandise, or charges for non-utility service purchased from the Cooperative;

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304.3 Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application;

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304.4 Violation of the Cooperative's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others, or other service such as communication services, unless the Member has first been notified and been afforded reasonable opportunity to comply with said rules;

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

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

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

304.6 Failure to pay the bill of another Member at the same address except where the change of Member identity is made to avoid or evade payment of the electric bill. A Member may request a supervisory review if the Cooperative determines that evasion has occurred and refuses to provide service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

305. Establishment of Credit

The Cooperative may require applicant, regardless of the type of service applied for, to demonstrate and satisfactorily establish credit in such form and manner as may be prescribed by the Cooperative. The satisfactory establishment of credit shall not relieve the Member from complying with the Cooperative's Rules and Regulations for prompt payment of bills. The following rules shall apply to the establishment of credit. Credit history shall be applied equally for a reasonable period of time to a spouse or former spouse who shared service. Credit history maintained by one spouse shall be applied equally to the other spouse without modification and without additional qualifications not required of the other.

305.1 Establishment of Credit for Residential Applicants

An applicant for residential service may satisfactorily establish credit and shall not be required to pay a deposit:

A. Payment History

If it is undisputed that applicant has been a customer of a utility providing electric service within the last two years and is not delinquent in the payment of any such utility service account and during the last twelve (12) consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or

B. Guarantee

If the applicant for residential service furnishes, in writing, a guarantee satisfactory to the Cooperative to secure the payment of bills for electric service; or

C. Senior Citizens

If the applicant for residential service is sixty-five (65) years of age or older and does not have an outstanding account balance with the Cooperative or another utility providing electric service which accrued within the last two (2) years; or

D. Other Means

If the applicant for residential service demonstrates a credit rating satisfactory to the Cooperative by appropriate means, including, but not limited to:

- (1) The production of generally acceptable unexpired credit cards in applicant's name, and suitable evidence that the cards have not been canceled;
- (2) Letters of credit reference;
- (3) The names of credit references which may be quickly and inexpensively contacted by the Cooperative;
- (4) Verifiable ownership of substantial equity.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

305.2 Establishment of Credit for Non-Residential or Seasonal/Minimal Use Applicants

An applicant for non-residential or seasonal/minimal use service shall be required to pay a deposit unless credit satisfactory to the Cooperative can be established.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

305.3 Re-establishment of Credit

Every applicant who previously has been a Member of the Cooperative and whose service has been disconnected for non-payment of bills, meter tampering, or bypassing a meter shall be required, before service is rendered, to pay all amounts due the Cooperative or execute a deferred payment plan, if offered, and re-establish credit as required under Section 305.1 and 305.2.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306. Deposits

306.1 Amount of Deposit for Permanent Residential, Commercial, and Industrial Service

The required deposit for permanent residential or commercial or industrial service shall not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billing. If a deposit is required, the Cooperative shall provide written information containing the Cooperative's rules describing the circumstances under which the Cooperative may require a deposit, how the deposit is calculated, the amount of interest paid on the deposit and how it is calculated, and the time frame and requirements for the return of the deposit to the Member.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.2 Amount of Deposit for Temporary or Seasonal/Minimal Use Service and for Weekend Residences

The Cooperative may require an applicant for temporary service or seasonal/minimal use service or service to weekend or intermittent use installations to pay a deposit sufficient to reasonably protect the Cooperative against the assumed risk for any such services. If a deposit is required, the Cooperative shall provide written information containing the Cooperative's rules describing the circumstances under which the Cooperative may require a deposit, how the deposit is calculated, the amount of interest paid on the deposit and how it is calculated, and the time frame and requirements for the return of the deposit to the Member.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.3 Refund of Deposit after Disconnection of Service

After disconnection of service, and if service is not reconnected, the Cooperative shall refund the Member's deposit plus any accrued interest in excess of any unpaid bills for service furnished.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.4 Amount of Deposit after Disconnection for Nonpayment

If a Member's service is disconnected for nonpayment of a bill, the Cooperative may require a new deposit, prior to reconnection of service, such that the Member's deposit is approximately equal to, but does not exceed, one-sixth (1/6) of the Member's annual billing. If a deposit is required, the Cooperative shall provide written information containing the Cooperative's rules describing the circumstances under which the Cooperative may require a deposit, how the deposit is calculated, the amount of interest paid on the deposit and how it is calculated, and the time frame and requirements for the return of the deposit to the Member.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.5 Amount of Deposit after Delinquencies

The Cooperative may require an initial deposit not to exceed the deposit amount specified in Section 306.1, if a Member has more than one occasion during the last twelve (12) consecutive months of service in which the Member's bill for electric service was paid after becoming delinquent. The deposit will be required to be paid within ten (10) days after the issuance of written termination notice and requested deposit. If a deposit is required, the Cooperative shall provide written information containing the Cooperative's rules describing the circumstances under which the Cooperative may require a deposit, how the deposit is calculated, the amount of interest paid on the deposit and how it is calculated, and the time frame and requirements for the return of the deposit to the Member.

In lieu of a deposit, the Member may elect to pay the current bill by the due date if the Member has not exercised this option in the previous 12 months or in lieu of a deposit, the Member may furnish a written satisfactory guarantee.

If actual billings of a commercial customer are at least twice the amount of the estimated billings, and a suspension notice has been issued on a bill within the previous 12-month period, a new deposit may be required to be made within 15 days after issuance of written notice of termination and requested additional deposit. If actual billings of a residential customer are at least twice the amount of the estimated billings after two billing periods, and a suspension notice has been issued on a bill within the previous 12-month period, a new deposit may be required to be made within 15 days after issuance of written notice of termination and requested additional deposit. In lieu of additional deposit, the customer may elect to pay the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

306.6 Refund of Deposit during Service Period for Permanent Residential Members

The Cooperative shall promptly and automatically refund the deposit plus accrued interest and return any letters of credit to permanent residential Members in the form of cash or credit to the Member's bill, or, if a guarantee was provided in lieu of a deposit, the guarantee shall be automatically voided by the Cooperative, when the Member has paid bills for service for twelve (12) consecutive billings, and

- A. has not had service disconnected for nonpayment of a bill, and
- B. has not had more than two occasions in which the bill was delinquent, and
- C. if the Member is not delinquent in the payment of the current bill.

The deposit and accrued interest shall be retained for any Member which does not comply with the refund criteria.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.7 Refund of Deposit during Service Period and at Termination for Non-Residential Members

The Cooperative shall promptly and automatically refund the deposit plus accrued interest to non-residential Members in the form of cash or credit to a Member's bill, or, if a guarantee was provided in lieu of a deposit, the guarantee shall be automatically voided by the Cooperative, when the Member has paid bills for service for twenty-four (24) consecutive billings, and

- A. has not had service disconnected for nonpayment, and
- B. has not had more than two occasions in which the bill was delinquent, and
- C. when the Member is not delinquent in the payment of the current bill.

The deposit and accrued interest shall be retained for any Member which does not comply with the refund criteria.

The Cooperative shall refund the deposit plus accrued interest in excess of any unpaid bills upon termination of service to temporary, seasonal/minimal use and non-residential Members.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.8 Interest on Deposits

If a Member has been required to make a deposit, the Cooperative shall pay interest on such deposit. The rates of interest to be paid on the Member deposits shall be the annual rate at least equal to that set by the Public Utility Commission on or before December 1 of the preceding calendar year, pursuant to the Texas Utilities Code §183.003 (Relating to Rate of Interest).

No interest payments shall be made if a deposit is refunded to an applicant or Member within 30 days of the receipt of deposit.

If the deposit is held more than 30 days, then the deposit shall begin drawing interest on the date the deposit was received by the Cooperative and shall cease to draw interest on the date the deposit is returned or credited to the Member's account.

The Cooperative will apply annual to-date accrued interest to Member's bill on the December usage bill each year and any unpaid accrued interest will be refunded or applied at the time of refund of deposit or disconnect.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

306.9 Records of Deposits

The Cooperative shall keep records to show:

- A. The name and address of each depositor.
- B. The amount and date of the deposit.
- C. Each transaction concerning the deposit.

The Cooperative shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

A record of each unclaimed deposit shall be maintained for at least four years during which time the Cooperative shall make a reasonable effort to return the deposit.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

306.10 Meter Security Deposits

All newly activated or reconnected accounts shall be charged a damage/security deposit of \$60 prior to activation or reconnection. This deposit may be waived, or refunded if paid, at the consumer's request, if all of the following conditions have been met:

- 1) The member has been an active member of the cooperative for at least the last 10 years; and
- 2) The member is current on all payments due to the Co-op, has not had more than two late payments to NEC in any of the last two years with no disconnections for nonpayment; and
- 3) The member has not had a meter stolen or damaged nor been assessed a meter tampering charge in the time the consumer has been a member of the Cooperative.

Such meter security deposit shall remain in the name of the member/customer and shall accrue interest as per the deposit interest section of these tariffs (306.8).

When the account becomes deactivated for whatever reason, the deposit shall be refunded to the member/customer if the Cooperative's metering facilities require no repairs or replacements and if all accounts in the member/customer's name are current and member/customer owes the Cooperative nothing.

If, after settlement of all accounts, funds remain in member/customer's meter security deposit account, such funds shall be refunded to member/customer

APPROVED: 07/27/10

EFFECTIVE: 07/27/10

306.11 Engineering Deposits

The customer shall be required to pay a minimum deposit of not less than \$350 to cover the cost of pre-construction work, such as engineering design, for all new service construction.

1. The deposit shall be paid in advance of any engineering work performed by the Cooperative for the project.
2. Upon completion of the new construction project, the deposit shall be credited to the Aid to Construction.
3. If, after completion of the engineering-related work, the customer does not proceed with the project, the work order will be voided and the deposit will be retained by the Cooperative to cover the costs of all engineering work performed.
4. A deposit shall be refunded, on request, if the customer cancels the engineering request before any engineering work is initiated.

APPROVED: 07/24/12

EFFECTIVE: 07/24/12

307. Disconnection of Service

307.1 Disconnection of Service at Member's Request

Any Member desiring to discontinue electric utility service from the Cooperative shall give reasonable notice identifying the Member, the service location where discontinuance is desired, and the date service is requested to be discontinued. Such request shall be made with the appropriate Cooperative employee at any office of the Cooperative.

Following receipt of Member's request for discontinuance of service the Cooperative shall disconnect service. The Cooperative shall attempt to make the disconnection on the date requested by the Member, but the Cooperative shall not be obligated to make disconnection earlier than the second full business day following receipt of Member's request.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

307.2 Cooperative Initiated Disconnection after Proper Notice

The Cooperative may discontinue service to a Member after proper notice under any of the following circumstances:

A. Non-Payment of a Bill

If the Member fails or refuses to pay a delinquent account or enter into a Deferred Payment Plan for electric service (whether or not based upon estimated billing); or

B. Deferred Payment Plan

If the Member fails to perform any obligation under the terms of a Deferred Payment Plan; or

C. Interference with Service

If the Member violates any rule pertaining to the use of electric service in a manner which interferes with or is likely to cause interference with electric service to other Members, or if the Member operates nonstandard equipment, provided that the Cooperative has made a reasonable effort to notify the Member and provided there has been a reasonable opportunity to remedy the situation; or

D. Failure to Make Application for Service

If the Member fails or refuses to make application for service in accordance with these rules in the Member's true name; or

E. Failure to Comply with Contract

If the Member fails or refuses to perform any obligation contained in Member's Electric Service Agreement, the Cooperative's service rules and regulations, the rate under which the Member is receiving electric service, or any applicable easement; or

F. Refusal of Access

If the Member fails or refuses to provide the Cooperative reasonable access to its facilities located on Member's premises; or

G. Comply with Law

If the Member fails or refuses to comply with any applicable Federal, State, Municipal, or other law, ordinance, rule, or regulation; or

H. Deposit Arrangement

If the Member fails to comply with a deposit arrangement.

I. Backbilling

If the Member fails or refuses to timely pay any billing authorized by these rules resulting from previous underbilling, whether caused by meter inaccuracy or failure to register, misapplication of rates or otherwise, and the Cooperative may not disconnect service for failure to pay charges arising from underbillings caused by faulty metering (unless provision of service had been tampered with) ; or

J. Default on Guaranty Agreement

If the Member has signed a written Guaranty Agreement for another Member or applicant and fails or refuses to pay the amount due on the guaranteed account when requested to do so by the Cooperative.

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

307.3 Cooperative Initiated Disconnection without Notice

The Cooperative may disconnect service immediately and without notice under the following circumstances:

A. Hazardous Condition

When a hazardous condition exists in the Member's installation or equipment; or

B. Service is Connected or Reconnected without Authority

Where service is connected without authority by a person who has not made application for service, or where service has been reconnected without authority following termination of service; or

C. Meter Tampering and Unauthorized Use of Energy

If the Cooperative's meter which serves Member has been tampered with or bypassed; or Member uses or disposes of electric energy in a manner not authorized in these rules or the rate schedule under which Member receives service; or there has been a theft of electric service or violation of Section 28.03 of the Penal Code of the State of Texas.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

307.4 Prohibited Disconnections of Service

The Cooperative shall not discontinue service to a Member for any of the following reasons:

- A. Delinquency in payment for utility service by a previous occupant of the premises; or
- B. Failure to pay for merchandise, or charges for non-utility service provided by the Cooperative; or
- C. Failure to pay for a different type or class of utility service unless the charges for such service are included on the same bill; or
- D. Failure to pay the account of another Member as guarantor thereof, unless the Cooperative has in writing the guarantee as a condition precedent to service; or
- E. Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billing; or

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

307.5 Proper Notice

Proper notice shall be notice given by separate mailing to the Member, or hand delivered at the Member's installation or premises at least ten (10) days prior to the earliest date of disconnection with the words "termination notice" or similar language prominently displayed on the notice. The information included in the notice shall be provided in English and Spanish as necessary to adequately inform the Member. The earliest date of disconnection may not fall on a holiday or weekend but shall fall on the next work day after the tenth day.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

307.6 Disconnection on Holidays or Weekends

Unless a dangerous condition exists, the Cooperative shall not disconnect service on a day, or on a day immediately preceding a day, when personnel of the Cooperative are not available for the purpose of making collections and reconnecting service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

307.7 Postponements of DisconnectionA. Medical

The Cooperative will not discontinue service to a delinquent permanent residential Member residing in an individually metered dwelling unit when that Member establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Each time a Member seeks to avoid termination of service under this rule, the Member must have the attending physician call or contact the Cooperative within 16 days of issuance of the bill. A written statement must be received by the Cooperative from the physician or health care provider within twenty-six (26) days of the issuance of the Cooperative's bill. The prohibition against discontinuance of service provided by this rule shall last sixty-three (63) days from the issuance of the Cooperative's bill or such lesser period as may be agreed upon by the Cooperative and the Member. The Member who makes such request shall enter into a deferred payment plan.

B. Energy Assistance Grantees

The Cooperative shall not terminate service to a delinquent permanent residential customer if the Member has applied for and been granted emergency assistance funds if:

- (1) The agency for the administration of these has notified the Cooperative, prior to the date of disconnection, of approval of an award sufficient to cover the bill; or
- (2) If an agency for administration of these funds has notified the Cooperative, prior the date of disconnection of approval of an award sufficient to cover a portion of the bill, and the Member enters into an acceptable deferred payment plan for the remainder of the bill.

C. Extreme Weather

The Cooperative will not disconnect a Member until the Cooperative ascertains that no life threatening condition exists in the Member's household, or would exist, because of disconnection during severe weather conditions. Severe weather is defined as:

- (1) A day when the previous day's highest temperature did not exceed 32°F, and the temperature is predicted to remain below 32°F for the next 24 hours according to the nearest National Weather Service reports, or
- (2) In areas where an excessive heat alert is in effect as determined by the National Weather Service and reported by the National Oceanic and Atmospheric Administration.

D. Military Personnel Serving in Combat or War Zones

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

307.8 Effect of Disconnection of Service

A. Member's Obligation

Discontinuance of service shall not relieve Member from any obligation to the Cooperative or lessen or change any obligation in any manner.

B. Cooperative's Rights

Disconnection of service shall not reduce, diminish, or eliminate any legal right or remedy, accruing to the Cooperative on or before the date of discontinuance, nor shall discontinuance operate as a waiver of any legal right or remedy.

Failure of Cooperative to discontinue electric service at any time after default or breach of these Service Regulations, the rate under which Member is receiving electric service, or the Electric Service Agreement, or to resort to any legal remedy or its exercise of any one or more of such remedies does not affect the Cooperative's right to resort thereafter to any one or more of such remedies for the same or any default or breach of Member.

C. Dismantling of Cooperative Facilities

The Cooperative may, upon discontinuance of electric service to Member, dismantle and remove all lines, equipment, apparatus, or other facilities which the Cooperative may have installed to provide electric service to Member. The Cooperative may, however, abandon in place, in whole or in part, its underground lines and equipment in lieu of removing such facilities.

D. Liability for Disconnection of Service

The Cooperative Shall not be liable for any damages of any kind or character resulting from discontinuance or disconnection made pursuant to these rules or those prescribed by proper regulatory bodies.

E. Refund of Membership Fee

Within a reasonable time after discontinuance of service, the Cooperative shall make reasonable efforts to refund any balance remaining of Applicant's Membership fee after applying the fee to any unpaid bills and if Applicant is no longer required to maintain Membership.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

308. Disputed Bills

In the event of a dispute between a Member and the Cooperative regarding any bill, the Member shall contact Cooperative prior to termination and notify Cooperative of the portion of the bill which is disputed and the basis for such dispute. Upon notification of the dispute and Member's basis therefor, Cooperative will make such investigation as shall be required by the particular circumstances and report the results thereof to the Member.

If the dispute is not thereby resolved, the Cooperative will inform the Member of the complaint procedures of the regulatory authority having jurisdiction over such service. Pending the completion of the determination of the dispute (but in no event more than sixty (60) days), the Member shall not be required to pay the disputed portion of the bill which exceeds the amount of the Member's average monthly usage at current rates. For purposes of this provision only, the Member's average monthly usage at current rates shall be the average of the Member's gross utility service for the preceding twelve (12) month period. Where no or insufficient previous usage history exists, consumption for calculating average monthly usage shall be estimated on the basis of usage levels of similar customers under similar circumstances.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

309. Deferred Payment Plan309.1 Availability of Deferred Payment Plan

The Cooperative shall offer, upon request, a deferred payment plan to any permanent residential Member who has expressed an inability to pay all of that Member's bill, if that Member has not been issued more than two termination notices at any time during the preceding 12 months.

The Cooperative shall not provide a deferred payment plan to any Member who is lacking sufficient credit or a satisfactory history of payment for previous service when the Member has had service from the present Cooperative for not more than three months. In cases of meter tampering, bypass, or diversion the Cooperative shall not offer a deferred payment plan.

Arrangements for a deferred plan may be made by visiting the Cooperative's business office or by contacting the Cooperative by telephone during regular business hours.

The deferred payment plan is not valid until signed by the Member. If the Member made arrangements for a deferred payment plan over the phone, the Cooperative will mail the deferred payment plan to the Member for the Member to sign and return.

The Cooperative will provide a copy of the deferred payment plan to the Member after the plan has been signed by the Member and the Cooperative.

A deferred payment plan shall include a 5.0% penalty for late payment.

APPROVED: 02/25/2020

EFFECTIVE: 02/25/2020

309.2 Disconnection

Every deferred payment plan entered into as a result of Member's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the Member pays current bills and a reasonable amount of the outstanding bill, and agrees to pay the balance in reasonable installments until the bill is paid. A payment of not more than one-third of the total deferred amount may be required as a reasonable amount under this paragraph.

If a Member has not fulfilled terms of a deferred payment agreement, the Cooperative shall have the right to disconnect service pursuant to the Cooperative's disconnection rules.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

310. Member Complaints

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

The customer shall not be required to pay the disputed portion of a bill which exceeds the amount of that customer's average monthly usage at current rates pending the completion of the determination of the dispute, but in no event more than 60 days. The customer's average monthly usage at the current rate shall be the average of the customer's gross utility service for the preceding 12-month period. When no previous usage history exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar customers and under similar conditions

In the event the Member is dissatisfied with the Cooperative's report, the Cooperative shall advise the Member of the Member's right to file a complaint with the Board of Directors of the Cooperative.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

311. Procedures When Overbilling or Underbilling Occurs

If amounts billed for utility service are found to differ from the Cooperative's rates approved by the Cooperative's Board of Directors, or if the Cooperative fails to bill the Member for such service, a billing adjustment shall be calculated by the Cooperative.

311.1 Overbilling

If the Member is due a refund, an adjustment shall be made for the entire period of the overbillings. If the overbilling is adjusted by the Cooperative within three billing cycles of the bill error, interest shall not accrue. The interest rate to be paid on overbillings and underbillings is as per the deposit interest section of these tariffs 306.8.

311.2 Underbilling

If the Member was underbilled, the Cooperative may backbill the Member for the amount which was underbilled. The backbilling is not to exceed six months unless the Cooperative can produce records to identify and justify the additional amount of backbilling, or unless such underbilling is a result of meter tampering, bypass, or diversion by the Member.

If the underbilling is \$50 or more, the cooperative shall offer the Member a deferred payment plan option for the same length of time as that of the underbilling. Interest shall not apply to undercharged amounts unless such amounts are found to be the result of meter tampering, bypass, or diversion by the Member. Interest on underbilled amounts shall be compounded monthly at the annual rate, as set in the deposit interest of these tariffs 306.8 from the day the Member is found to have first tampered, bypassed or diverted.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

312. Billing and Terms of Payment

Bills for service shall be rendered promptly unless otherwise specified. The terms "month" or "monthly" for billing purposes shall mean the period between any two consecutive readings of the meter by the Cooperative or the Member. Such readings should be taken as nearly as practicable every thirty (30) days.

Monthly bills are due within sixteen (16) days after the date of issuance as shown on the bill, unless otherwise stated in a contract for service, and are payable at the Cooperative's business offices located at 14353 Cooperative Ave, Robstown, Texas 78380. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

A Member's electric service may be disconnected if the bill has not been paid or a deferred payment agreement entered into within twenty-six (26) days from the date of issuance, and if proper notice has been given in accordance with the Cooperative's notice procedures as specified in Section 307.4.

The Cooperative will follow all State and Federal laws regarding billing and payments on Federal or State facilities.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

313. Line Extension Policy313.1 General Policy

It shall be the policy of this Cooperative to provide central station service to all applicants within its service area in accordance with the area coverage concepts of the Rural Utilities Service.

The Member shall provide specific information regarding the characteristics of the load to be served in order that the Cooperative may estimate the power requirements and energy usage. The Cooperative shall have sole responsibility to design the needed electric system to meet the consumer's power requirements.

The capital investment required to provide service shall be estimated by the Cooperative for each new application for service. This estimate shall be based on the Cooperative's latest unit costs and shall include the cost of all facilities to be constructed or purchased to serve the new Member.

Estimated direct cost elements include, but may not be limited to, costs incurred in the acquisition of rights-of-ways, design and engineering, and estimated construction crew's time to construct or up-grade the affected facilities. Estimated indirect cost elements include, but may not be limited to, transportation expenses, insurances, and other expenses typically and normally provided for under the USDA-RUS systems of accounts. Average unit costs are prepared from historical data retrieved from the records of the Cooperative's accounting system.

In cases where service is not expected to be permanent, the salvage value of facilities shall be estimated.

APPROVED: 03/24/03
EFFECTIVE: 03/24/03

313.2 Residential, Farm, Ranch, Small Commercial and Community Public Buildings.

The Cooperative will extend service to all permanent residential, farm, ranch, small commercial and community public building Customers at no contribution in aid of construction where the cost to connect does not exceed the capital investment whose debt can be serviced by the standard rate class monthly minimum as defined in Tariff 203.1C.

The capital investment per Customer shall be defined as the amount of capital that can be supported at the current Long Term Debt interest rate by the rate class monthly Customer charge.

Individually metered apartments and condominiums shall be considered as residential for purposes of this policy.

Prior to contractual arrangements being finalized for a line extension, the Customer shall verify to the Cooperative's satisfaction that the requirements of a permanent installation have been met.

Line extensions requiring investments in excess of the allowed service extension amount shall require contributions in aid of construction equal to the excess investment.

Where contributions in aid to construction are required, the Cooperative shall maintain records of the excess investment for five (5) years from the date of the contract or until the original account changes hands, whichever occurs first.

For each new account connected to the extension in the aforementioned 5-year period, the original account holder shall receive a rebate equal to the minimum account investment amount, up to, but not to exceed, the excess investment amount in total.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

313.3 Large Commercial, Industrial, and Oil Wells.

The Cooperative will extend service to large commercial, industrial, and oil well consumers having a peak load of greater than 35 kilowatts and less than two (2) megawatts on the basis of individual contracts for service with terms of five years. The contract will provide for the Cooperative to recover, within the term of the contract, the cost to install and remove all facilities required to provide service, including needed improvements to the backbone system, less the estimated salvage value of removable facilities at the end of the contract term and less the maximum allowable investment by the Cooperative. The maximum allowable investment by the Cooperative shall be the amount that can be financially supported by the monthly customer charge as indicated in Tariff 203.2, 203.3, 203.5, 203.8, 203.11, 203.13, 203.14 and 203.15, whichever is applicable.

A contribution in aid of construction may be required and, if so, it shall be the amount of the investment in excess of the maximum allowable investment by the Cooperative necessary to serve the Customer.

Where contributions in aid to construction are required, the Cooperative shall maintain records of the excess investment for five (5) years from the date of the contract or until the original account changes hands, whichever occurs first.

For each new account connected to the extension in the aforementioned 5-year period, the original account holder shall receive a rebate equal to the minimum account investment amount, up to, but not to exceed, the excess investment amount in total.

New shopping centers shall be treated as large commercial initially. As individual tenants request services, they shall be classified as either small commercial or large commercial in accordance with their size (above or below 35 kW).

Extensions of primary voltage service facilities to a Customer having a peak load of two (2) megawatts or more shall be considered under section 313.9, Special Circumstances.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

313.4 Camp Houses and Other Non-Residential Rural Consumers such as Hunting Lodges, Electric Fences, Barns, Bunk Houses, Grain Storage Facilities, Equipment Shelters and Other Similar-Type Facilities which are Primarily Seasonal in Usage Pattern.

The Cooperative will provide service to these type consumers on the basis of Agreements for Electric Service which provide for rates and conditions which will recover the cost to provide service over the anticipated time when service will be needed. A contribution in aid of construction is required, and shall be the cost to extend service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

313.5 Temporary Services Including Service to Individual Mobile Homes Not Meeting the Criteria for Permanent Residences.

The Cooperative will provide temporary service upon payment by the applicant, in advance of construction an amount equal to the total cost of construction, plus removal cost, less salvage value of removable materials. Upon completion of construction, and closing out of the applicable work order, the consumer will be billed for any deficit or refunded any amount over the actual work order cost. Service to this classification will be billed under the applicable rate schedule.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

313.6 Stock Watering Wells, Rectifiers, Radio and Microwave Towers.

The Cooperative will provide service to stock watering wells, rectifiers, radio and microwave towers and similar consumers with like requirements upon execution by the Member of an Agreement for Electric Service which provides for the recovery of the Cooperative's investment and costs, plus removal cost, less the value of salvaged materials less the maximum allowable investment by the Cooperative. The term of these contracts shall be five (5) years. A contribution in aid of construction shall be required for investments exceeding that which can be supported by the normal customer charge. Contribution in aid of construction is the amount of the cost to extend service above the standard rate maximum allowable investment by the Cooperative.

Where contributions in aid to construction are required, the Cooperative shall maintain records of the excess investment for five (5) years from the date of the contract or until the original account changes hands, whichever occurs first.

For each new account connected to the extension in the aforementioned 5-year period, the original account holder shall receive a rebate equal to the minimum account investment amount, up to, but not to exceed, the excess investment amount in total.

APPROVED: 02/25/2020

EFFECTIVE: 02/25/2020

313.7 Subdivisions and Ranchette Development.

The Cooperative will install facilities to provide service to a dedicated subdivision or ranchette development under the following conditions:

- (1) A developer shall make application in writing to the Cooperative.
- (2) The developer shall provide the Cooperative with a legally dedicated plot plan showing the boundaries, lot assignments with 911 addresses for each lot, dedicated streets and alleys, accesses, easements, covenants, and restrictions, future development potential and any other pertinent information that may be required by the Cooperative.
- (3) Developers shall be responsible for payment of all facilities required by political subdivisions, such as street lighting.
- (4) The Cooperative shall, based upon plans and specifications, give the developer an estimated cost of construction of the entire development of each section of the development if the developer plans a progressive section-by-section development.
- (5) The developer shall be required to advance, prior to construction, the total estimated cost of construction of each section to be developed either in cash or an irrevocable letter of credit from an acceptable financial institution whereby the Cooperative can draw against such credit as money is expended for construction. The Cooperative and developer shall agree to adjust the estimate of cost to actual cost upon completion of the project.
- (6) When each unit within the ranchette development or subdivision is completed and the permanent occupant has executed an agreement for electric service in accordance with the provisions of organization policy, a refund will be made to the developer and builder. The aggregate amount refunded to the developer and builder for each section shall not exceed the amount advanced for that section by the developer. There will be a five-year limit on this refund. The time starts when construction of electric facilities is started for each section of the subdivision or ranchette.

The amount of each refund will be the Cooperative's average investment per consumer as explained in section 313.2 above.

APPROVED: 02/25/2020
EFFECTIVE: 02/25/2020

313.8 Ownership of Distribution Facilities.

The Cooperative shall retain the ownership of all material and facilities installed by the Cooperative for the distribution of electric energy whether or not the same have been paid for by the Member. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

313.9 Special Circumstances.

Any situation involving special circumstances not specifically covered in other sections of this Line Extension policy, including extensions of primary voltage service facilities to a Customer having a peak load of two (2) megawatts or more will require special consideration and approval of the Manager of the Cooperative. All extensions made under special circumstances shall be designed to recover the costs of: (1) project planning and design, (2) construction, (3) renewals and replacements, (4) removal of facilities, and (5) obtaining regulatory approvals. Credit may be given for salvage value if facilities are removed. .

APPROVED: 03/25/2014
EFFECTIVE: 03/25/2014

313.10 Underground Line Extensions

Requests for extensions of underground facilities shall be handled in the same manner as overhead facilities extensions.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

314. Commercial Average Monthly Payment Plan (CAMP)

- A. The purpose of the plan is to provide qualified commercial customers the opportunity for a monthly budget payment method. This plan allows a qualified business to average its electric bill over a 12-month time frame. Assuming no significant changes in the Customer's service requirements, this improves the Customer's ability to predict and budget power costs on a monthly basis.
- B. The following qualifications/limitations will apply:
1. Customer must have a current 12 month billing history on the account to qualify for the CAMP;
 2. Customer must be a Customer currently served under primary metered loads and/or commercial over 35 kW, excluding oil wells and gins;
 3. Customer may be a Customer with Riders or applications such as Security Lighting;
 4. Customer must demonstrate an acceptable credit rating. CAMP is not to be used to defer payment of delinquent bills;
 5. Customer must maintain a satisfactory future payment history, including no late or partial payments;
 6. Significant changes to a Customer's service requirements may require that Customer re-establish a 12 month billing history on the account to qualify for the CAMP. (See explanation below)
- C. The first month's CAMP bill will be computed by totaling the previous 12 month bills and dividing that amount by 12. This becomes the CAMP payment for the next three months. Every three (3) to six (6) months the CAMP amount will be recalculated using the immediate past twelve (12) months' billing. This will assure that the CAMP bill is consistent with the Customer's usage.

In addition, the CAMP amount may be increased to reflect any rate increase.

Should the Customer's CAMP bill cause a significant credit or debit balance as a result of significant changes in the Customer's service requirements, the Cooperative may require the Customer to re-establish a 12 month billing history or make adjustments to the CAMP payment which are mutually agreeable to the Customer and the Cooperative. Examples of such "significant" changes include but are not limited to expansions or contractions of facilities, equipment or business operations.

As noted, this Plan helps Customers budget their energy costs. The credit or debit balance review will provide a reasonable system balance to prevent unusual usage patterns from adversely affecting the forecasting accuracy of the CAMP. This check is made for review and corrective action.

When a Customer moves, terminates service, or changes its account for any reason, the CAMP account at that service location will become due and payable immediately, unless otherwise agreed to in writing by the Customer and the Cooperative. The amount due will be equal to the final bill for that month plus the balance (debit or credit) remaining in the CAMP account.

- D. Provided the Customer has been notified thirty (30) days in advance, the Cooperative shall cease to bill the Customer under the CAMP program in any of the following situations. Any balance due to or owed by the Customer will be payable, and the Cooperative will offer a deferred payment plan in accordance with the Terms and Conditions of the Cooperative's Tariffs.
1. Customer requests such action;
 2. Customer under CAMP moves from his point of service;
 3. CAMP is discontinued;
 4. Customer is delinquent on one payment and does not "catch up" the next month, or
 5. Customer is delinquent on two payments.
- E. The Customer's meter will be read at the normal meter reading time. The monthly actual bill will be calculated under the appropriate rate schedule. CAMP customers will receive a bill stating the actual usage and costs, but will be billed only the CAMP amount. The bill will also provide the customer with the current cumulative debit or credit balance of the CAMP program.
- F. The Cooperative may require a deposit from Customers entering the CAMP; such deposit will not exceed an amount equivalent to one-sixth (1/6) of the actual annual billing.

The deposit and interest will be refunded immediately after the customer pays 12 consecutive monthly bills on time. Otherwise, the Cooperative may retain the deposit for the duration of the billing period under CAMP. The Cooperative will pay interest on deposits as provided in the Terms and Conditions of the tariff.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

315. Equal Payment Plan

- A. The purpose of this plan is to provide qualified Residential and Commercial Customers under 35 kW demand, excluding oil wells, the opportunity for a monthly budget payment method. This plan allows a qualified Customer to average its electric bill over a 12-month time frame. Assuming no significant changes in the Customer's service requirements, this improves the Customer's ability to predict and budget power costs on a monthly basis.
- B. The following qualifications will apply:
 - 1. Customer must demonstrate an acceptable credit rating;
 - 2. Customer must request to be billed under this Equal Payment Plan, and
 - 3. Customer must have a current 12 month billing history.
- C. To calculate the Customer's total monthly equal payment amount, the Cooperative will total the Customer's electric bill for the last 12 months and divide by 12 to get an average monthly bill.
- D. The Customer's account will be reviewed and adjusted as set forth below. The monthly bill submitted by the Cooperative to the Customer will show both the amount which is billed under the regular schedule and the Equal Payment amount. The Customer shall pay the Equal Payment amount each month on or before due date, but the Customer is responsible for payment under the regular rate schedule for the actual consumption of electricity. The difference between the amount that is paid will be carried either as a balance owed the Cooperative or a balance owed the Customer.
- E. The Cooperative will review the Equal Payment amount with respect to the amount of the balance in the Customer's account, monthly; and will recalculate the Equal Payment amount. In addition, the Equal Payment amount may be increased to reflect any rate increase.
- F. Provided the Customer has been notified thirty (30) days in advance, the Cooperative shall cease to bill the Customer under this Equal Payment Plan in any of the following situations. Any balance due to or owed by the Customer will be payable, and the Cooperative will offer a deferred payment plan in accordance with the Terms and Conditions of the Cooperative's Tariffs.

1. Customer requests such action;
 2. Customer under Equal Payment Plan moves from his point of service;
 3. This Equal Payment Plan is discontinued;
 4. Customer is delinquent on one payment and does not “catch up” the next month, or
 5. Customer is delinquent on two payments.
- G. The Cooperative may require a deposit from Customers entering the Equal Payment Plan; such deposit will not exceed an amount equivalent to one-sixth (1/6) of the actual annual billing.

The deposit and interest will be refunded immediately after the customer pays 12 consecutive monthly bills on time. Otherwise, the Cooperative may retain the deposit for the duration of the billing period under the Equal Payment Plan. The Cooperative will pay interest on deposits as provided in the Terms and Conditions of the tariff.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

316. Parallel Generation Requirements

Unless specifically amended by contract to adapt these provisions to a specific interconnection, the following are the minimum requirements for parallel operations or customer generation or any interconnected generation to the Cooperative.

- A. The customer or interconnected generator is solely responsible for properly synchronizing its generator with the Cooperative and shall provide to the Cooperative for review the most current specifications for interconnection equipment, including drawings and one line diagrams and the specific electrical characteristics of each generating unit. **The Cooperative's review of customer's specification shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the facility or equipment.**
- B. The customer or interconnected generator shall not energize a de-energized circuit owned by the Cooperative.
- C. The generating equipment of the customer or interconnected generator shall not cause objectionable interference with the electric service provided to other customers by the Cooperative. In order to minimize the interference of the parallel generation of the customer or interconnected generator with the Cooperative's electric service operation, the generation of the customer or interconnected generator shall meet the following criteria:
 - 1. Voltage - The generating equipment shall not cause excessive voltage excursions. The customer or the interconnected generator will operate its generating equipment in such manner that the voltage levels on the system are in the same range as if the generating equipment were not connected to the Cooperative system. The customer or interconnected generator shall provide an automatic method of disconnecting his generating equipment from the Cooperative facilities to protect against excessive voltage excursions.
 - 2. Flicker - The customer or interconnected generator shall not cause excessive voltage flicker on the electric facilities of the Cooperative. This flicker shall not exceed 1.5% as measured at the customer or interconnected generator service point.
 - 3. Frequency - The operating frequency of the generating equipment of the customer or interconnected generator shall not deviate from the Cooperative's system frequency. Underfrequency relays shall be set so that generator of the customer or interconnected generator shall not separate from Cooperative's system during under-frequency conditions until all of Cooperative's underfrequency load shedding equipment has operated
 - 4. Harmonics, Telephone Interference, and Carrier Interference - The generating equipment of the customer or interconnected generator shall not introduce: excessive distortion of Cooperative's Wave-form, Telephone Interference, or Carrier Interference at the customer or interconnected generator service point.

5. Fault and Line Clearing - The customer or interconnected generator shall remove its generating equipment from connection with the Cooperative's system on the occurrence of an outage on the Cooperative's electric facilities serving the customer or interconnected generator premises. The customer or interconnected generator is responsible for the stability of its units and providing adequate facilities so that critical fault clearing times are met.
6. Power Factor - In order to regulate a high side voltage consistent with Cooperative's voltage profile needs, any interconnected generator(s) and step up transformer shall be capable of maintaining a Cooperative specified high side bus voltage up to a power factor of .89 lagging or the generators units leading power factor. The voltage-var schedule, voltage regulator, and transformer ratio settings will be jointly determined by the Cooperative and the customer or interconnected generator to ensure proper coordination of voltages and regulator action. Customers or interconnected generators are encouraged to generate their own var requirements to minimize power factor adjustment charges and enhance generator stability. Cooperative may, in order to maintain a desirable voltage profile request the customer or interconnected generator to accept reactive power. In cases where the Cooperative requests the customer or interconnected generator to accept reactive power, the customer's or interconnected generator's demand related charges shall not be affected by its acceptance. In cases where starting or load changes for motors or induction generators will have an adverse impact on the Cooperative system voltage, Cooperative is to be consulted on techniques required to bring voltage changes and reactive requirements to acceptable levels.
7. Excitation System and Automatic Voltage Regulation - Customer's or any interconnected generator(s) excitation system response ratio shall not be less than 0.5 (five-tenths). Customer's or any interconnected generator(s) excitation system(s) shall conform, as near as achievable, to the field voltage vs. time criteria specified in American National Standards Institute Standard C50.13-1989 in order to permit adequate field forcing during transient conditions. Customer or any interconnected generator(s) shall maintain the Automatic Voltage Regulator (AVR) of each generating unit in service and operable at all times. If the AVR is removed from service for maintenance or repair, the Cooperative's dispatching office shall be notified.
8. Governor System - Customer's or any interconnected generator(s) governor(s) shall be able to respond to interconnection frequency deviations and help return interconnection frequency to normal following an upset on the Texas electric system to assist in maintaining interconnection stability.

- D. The Cooperative may require that a communication channel(s) be installed, at customer's or interconnected generator's expense, as part of the relay protection, remote control, remote metering and/or direct voice contact between Cooperative and customer or interconnected generator. These channel(s) may be leased telephone circuit, power line carrier, pilot wire circuit, microwave, etc.
- E. It is the sole responsibility of the customer or interconnected generator to protect his equipment from excessive negative sequence currents.
- F. The customer or interconnected generator will be required to install, operate and maintain in good order and repair, and without cost to the Cooperative, all facilities required by the Cooperative for the safe operation of the customer's or interconnected generator's generation facilities in parallel with the Cooperative's electrical system. The customer's or interconnected generator's generation and electrical facilities shall be installed, operated, and maintained by the customer or interconnected generator at all times in conformity with good electrical practice and shall comply with the National Electrical Code, the National Electrical Safety Code, any applicable local codes and any applicable Cooperative service standards included in the requirements of the contract.
- G. Any modifications or additions to the Cooperative's electrical system due to the addition of the customer's or interconnected generator's generation will be solely at the customer's or interconnected generator's expense; however, the customer or interconnected generator will not acquire any ownership in these facilities. The modifications or additions may include but are not restricted to the upgrading of transformer insulation levels and lightning arrester ratings, the replacement of circuit breakers due to increased fault current levels, additional protective relaying and any additional metering.
- H. The customer or interconnected generator will furnish a manual disconnect switch with visual contacts and allowance for padlocking, to separate the customer's or interconnected generator's generator from the Cooperative. The location of this switch will be determined by the Cooperative, and be readily accessible to the Cooperative at all times. The disconnect switch will be under the exclusive control of the Cooperative and will be considered as part of the Cooperative's switching arrangement. The Cooperative reserves the right to open this disconnecting device, isolating the customer or interconnected generator generation, for any of the following reasons:
1. The customer's or interconnected generator's generating equipment upon the Cooperative's determination causes objectionable interference with other customers service, or with the operation of the Cooperative's electrical system.
 2. The customer's or interconnected generator's generator output as determined by the Cooperative exceeds the operating boundaries outlined in Item C of this Section III.

3. The customer's or interconnected generator's control and protective equipment causes or contributes to a hazardous condition. The Cooperative reserves the right to verify on demand all protective equipment including relays, circuit breakers, etc. at the inter-tie location. Verification may include the tripping of the tie breaker by the protective relays.
 4. In the Cooperative's opinion, continued parallel operation is hazardous to the customer or interconnected generator, Cooperative system or to the general public.
 5. To provide Cooperative personnel the clearance for dead line or live line maintenance. The Cooperative will attempt to notify the customer or interconnected generator before disconnection, but notification may not be possible in emergency situations that require immediate action.
- I. Automatic recessing is normally applied to transmission and distribution circuits. When the Cooperative's source breakers trip and isolate the customer or interconnected generator, the customer or interconnected generator shall ensure that his generator is disconnected from the Cooperative circuit prior to automatic recluse by the Cooperative. Automatic recessing out-of-phase with the customer's or interconnected generator's generator may cause damage to customer or interconnected generator equipment. The customer or interconnected generator is solely responsible for the protection of his equipment from automatic recessing by the Cooperative.
- J. CUSTOMER INDEMNIFIES AND HOLDS COOPERATIVE HARMLESS FOR ALL DAMAGES AND INJURIES TO COOPERATIVE OR OTHERS ARISING OUT OF CUSTOMERS OR INTERCONNECTED GENERATORS USE, OWNERSHIP OR OPERATION OF CUSTOMERS OR INTERCONNECTED GENERATORS FACILITIES IN PARALLEL WITH COOPERATIVE'S SYSTEM. CUSTOMER OR INTERCONNECTED GENERATOR IS SOLELY RESPONSIBLE FOR PROVIDING ADEQUATE PROTECTION FOR CUSTOMER'S OR INTERCONNECTED GENERATOR'S FACILITIES OPERATING IN PARALLEL WITH COOPERATIVE'S SYSTEM IN SUCH MANNER THAT FAULTS OR OTHER DISTURBANCES ON THE COOPERATIVE SYSTEM DO NOT CAUSE DAMAGE TO CUSTOMERS OR INTERCONNECTED GENERATOR'S EQUIPMENT.
- K. Customer shall be provided with a copy of Cooperative's wholesale power supplier's guideline for interconnection of generation operating in parallel with Cooperative's distribution system. Customer shall strictly adhere to the guidelines set forth herein unless customer and Cooperative have mutually amended the requirements and agreed as such in writing signed by both parties.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

317. Member Protection Standards

The following customer protections standards are applicable to all Members of Nueces Electric Cooperative:

Protection from fraudulent, unfair, misleading, deceptive, or anticompetitive practices, including protection from being billed for services that were not authorized or provided;

Choice of a retail electric provider and to have that choice honored;

Availability of information in English or, upon request, in Spanish concerning rates, key terms and conditions, and the basis for any claim of environmental benefits of certain production facilities;

Protection from discrimination on the basis of race, color, sex, nationality, religion, marital status, income level, or source of income and from unreasonable discrimination on the basis of geographic location;

Privacy of customer consumption and credit information;

Accuracy of metering and billing;

Presentation of bills in a clear, readable format and easy-to-understand language that provides the following: clear, easily understandable identification, in each bill sent to a customer, or all retail electric providers submitting charges on the bill; assurance that every service provider submitting charges on the bill is clearly identified on the bill along with its service, products, and charges; and, a toll-free number to contact Nueces Electric Cooperative with any questions;

Availability of information in English and Spanish, upon request, concerning low-income assistance programs and deferred payment plans;

All consumer protections and disclosures established by the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.) and the Truth in Lending Act (15 U.S.C. Section 1601 et seq.); and

Programs provided by retail electric providers that offer to eligible low-income customers energy efficiency programs, an affordable rate package, and bill payment assistance programs designed to reduce uncollectable accounts.

APPROVED: 01/27/03
EFFECTIVE: 07/01/03

401. Points of Delivery

The Member shall designate the point of delivery where Member desires to receive electric energy and shall provide service entrance conductors and any material or equipment needed for the receipt of electric energy.

The point of delivery of electric energy is the point where the Member's service entrance conductors are connected to the Cooperative's conductors. Such point shall be outside of the member's installation or structure(s) at a location which will facilitate connection in accordance with the National Electric Safety Code, the National Electric Code, and standard operating practices of the Cooperative and in accordance with any state, county or local safety codes.

The Member shall furnish and install all apparatus, including disconnects and breakers, and all electric wiring on the Member's premises. The Member shall at all times ensure that the Member's premises, facilities and equipment comply with the provisions of the National Electric Code and the National Electric Safety Code as well as other applicable standards imposed by law or ordinance.

The Cooperative accepts no responsibility and assumes no liability for the adequacy of the Member's installation or for damage and/or injury as a result of inadequate apparatus or equipment, incorrect wiring, faulty material or workmanship, or any other deficiencies or defects in the wiring, and/or equipment on the Member's premises or any lack of maintenance on the part of Member.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

402. Meters and Meter Reading

402.1 Location and Installation of Meter

The Member shall provide, without cost to the Cooperative, at an easily accessible and suitable location acceptable to the Cooperative, sufficient and proper space for installation of meters and other apparatus of Cooperative; meter board; meter loop; safety service switches when required; and an adequate anchor for service drops.

The meter shall be accessible to the Cooperative at all times. The meter shall be located on the outside of any building or structure and shall be moved to the outside, at the Member's expense, if its location is inside of such building or structure as the result of remodeling or structural additions.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

402.2 Ownership of Meter

The Cooperative shall provide, install, own and maintain all meters necessary for the measurement of electric energy. Such meters shall be of a standard type which meet industry standards except that special meters not conforming to such standards may be used for nonbilling purposes such as quality of service investigation and experimental uses.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

402.3 Relocation of Meters

When the Member requests a change of the location of the meter, or due to alterations on Member's premises a relocation of the meter is required, the Member shall provide and install at Member's expense all wiring and equipment necessary for the relocation of the meter.

If the relocation of the meter also requires a relocation of the Cooperative's facilities then the Member shall pay to the Cooperative the total cost of the relocation as specified in Section 205.16, Relocation or Temporary Placement of Cooperative Facilities.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

402.4 Meter Reading

- A. Some Members of the Cooperative shall be responsible for reading each meter through which electric service is furnished to Member. Each meter is to be read every month and the readings entered in the spaces provided on the stub portion of the bill card to be returned with remittance. Members are requested to read each meter on the day the bill is received to assure approximately the same number of days in each billing period.
- B. Trip Fees (*Reference Section 205.1 of these Tariffs*)
- C. If requested by the Member, the Cooperative may install an AMR device and read the Member's meter(s) on a monthly basis and may charge \$4.00 per month per meter.
- D. If a Member fails to submit a meter reading, or the reading is not received in time for billing, the Cooperative may estimate the Member's meter reading. Such reading will be identified as estimated on the Member's electric bill.
- E. The Cooperative may place Member on an established meter reading route and read the meter at no cost to Member, or may install an AMR device to read the meter monthly.
- F. The Cooperative, at no cost to the Member, may install AMR devices and remotely read monthly the meters of high cost residential accounts and those nonresidential accounts whose consumption of electric energy is measure by demand type kilowatt-hour meters, and rectifiers, and selected oil and gas related accounts.

When there is good reason for doing so, the Cooperative may submit an estimated bill for not more than two consecutive months. In months when meters are not read, the Cooperative shall provide a notice to the Member and request that the Member read the meter and return the reading to the Cooperative. If this reading is not received in time for billing, the Cooperative shall render an estimated bill.

APPROVED: 03/27/00
EFFECTIVE: 03/27/00

402.5 Meter Error Adjustment (*Reference Section 205.4 of these Tariffs*)402.6 Meter Test and Accuracy Adjustments (*Reference Section 205.4 of these Tariffs*)

403. Maintenance of Electric Equipment on Member's Premises and Responsibility for Injuries and Damage Therefrom403.1 Member Responsibility

Member shall install, operate and maintain such protective devices, and implement such procedures and practices, as may be reasonable or necessary to protect Member's property, equipment, processes or activities during occurrences of abnormal service. Member shall maintain such equipment in good operating condition, and otherwise install, operate and maintain his electric equipment in an entirely safe and efficient manner and in full compliance with all laws and local ordinances, the National Electric Code, the National Electric Safety Code, and the rules and regulations of the Cooperative in effect at any time. The Cooperative neither assumes nor accepts any duty or responsibility for the inspection of the Member's wiring, apparatus, machinery, equipment, or operations and shall not be responsible therefor, nor does the Cooperative accept any liability due to the initiation or continuation of service to Member.

The Member assumes full responsibility for electric current, and for the wires, apparatus and appurtenances used in connection therewith, upon Member's premises and at and from the point of delivery of power (described as being the point where the electric energy first leaves the lines or facilities of the Cooperative and enters the lines or facilities provided and/or owned by the Member) if such point is located off Member premises, and will protect, indemnify and save Cooperative harmless from all claims for injury, including death, or damage to persons or property occurring upon Member premises, or at and from such point of delivery, even if due to Cooperative's negligence, whether sole or joint and concurrent with the negligence of Member or third parties, occasioned by such electric current or said wires, apparatus, or appurtenances.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

403.2 Continuity of Service

The Cooperative shall use reasonable diligence to provide a satisfactory, constant, uninterrupted supply of electricity, but does not guarantee or warrant that the supply will not fail or be interrupted or that the voltage and wave form of the supply will not fluctuate. Member is responsible for installing and maintaining such protective devices as may be necessary or reasonable to protect Member's equipment or processes during abnormal service provided by the Cooperative.

The Cooperative shall make reasonable efforts to re-establish service with minimum of delay when failures, interruptions, or voltage and wave form fluctuations occur. However, the Cooperative shall not be liable for, and Member shall indemnify Cooperative against, direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to: normal wear and tear of equipment, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission, tribunal or governmental authority having jurisdiction or, without limitation by the preceding enumeration, any other act or thing due to causes beyond the Cooperative's reasonable control, or to the negligence of the Cooperative, its employees, or contractors, whether sole or joint and concurrent with the negligence of Member or third parties, except to the extent that the damages are occasioned by the gross negligence or willful misconduct of the Cooperative.

For claims resulting from failures, interruptions or voltage or wave form fluctuations occasioned in whole or in part by gross negligence or willful misconduct of the Cooperative or its agents, the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to, or replacement of, electric equipment proximately caused by the grossly negligent acts of the Cooperative or its agents. The Cooperative shall not be liable in any event for consequential damage.

The Cooperative may, without notice and without liability to Member, interrupt service to Member when in the Cooperative's sole judgment such interruption:

- A. Will prevent or alleviate an emergency threatening to disrupt the operation of the Cooperative's system; or
- B. Will lessen or remove possible danger to life or property; or
- C. Will aid in the restoration of electric service; or
- D. It is required to make necessary repairs to, or changes in, the Cooperative's facilities.

Member may request, in writing, that Cooperative provide notice of intentional interruption of service by contact at an address and telephone number provided in such written request by Member and Cooperative will exercise reasonable diligence to give such notice but does not warrant that notice will be given in every case of intentional interruption.

404. Access and Right of Way

Members shall admit to Member's premises, at all reasonable hours, personnel authorized by the Cooperative to inspect, install, remove or replace Cooperative's property, or to read Cooperative's meter, or to perform other activities necessary to provide electric service including tree trimming and tree removal where such trees, in the opinion of the Cooperative, constitute a hazard to Cooperative personnel or facilities, or jeopardize the providing of continuous electric service. Refusal on the part of the Member to provide reasonable access may be sufficient cause for discontinuance of service with notice.

Any Member and/or property owner who has provided an easement to the Cooperative and who wishes to lock the gates or gaps providing access to the property shall allow the Cooperative to install the Cooperative's standard padlock on the gates or gaps to insure reasonable access to the Cooperative's facilities.

The Cooperative may trim or remove plants or trees, without liability to the owners of such plants or trees that, in the opinion of the Cooperative, constitute a hazard to Cooperative personnel or facilities or potentially jeopardize the continuity of the Cooperative's electric service.

The Member shall not charge fees of any type for access to Member's premises.

The Member shall use reasonable diligence to protect personnel authorized by the Cooperative or by law to have access to Member's premises, and Member shall not cause nor allow or continue any practice, installation or occurrence which endangers the safety of Cooperative personnel or the Cooperative's agents.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

405. Protection of Cooperative's Facilities on Member's Premises

The Member shall use reasonable diligence to protect the Cooperative's facilities installed on Member's premises. In the event of loss of, or damage to, Cooperative's facilities on Member's premises, caused by or arising out of carelessness, neglect or misuse by Member or unauthorized persons, the Cooperative may require the Member to reimburse the Cooperative for the cost of such damage.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

406. Extension of Member's Facilities

The Member shall not extend Member's installation or facilities across or under public thoroughfares, streets or alleys, or other lands not owned by Member, without the written consent of the Cooperative.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

407. Member's Electric Load

407.1 Load Balance

The Member shall control the use of electric energy so that Cooperative's electric load at the point of delivery is in reasonable balance.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

407.2 Motor Installations

All motor installations shall be in accordance with the following schedule unless permission is provided by Cooperative, in writing.

- A. Motors rated less than 10 HP shall be single phase unless the Member is already receiving three phase service.
- B. Motors rated 10 HP or more shall be three phase.
- C. The Cooperative may, at any time, require the Member to furnish at the Member's sole expense, equipment and/or devices acceptable to the Cooperative to limit the effect of motor starting on Cooperative's electric system to a level acceptable to Cooperative.
- D. All motor starting devices are to be of a type approved by Cooperative and are to be provided, operated, maintained and installed by Member.
- E. Power factor correction capacitors shall be installed to correct the motor's power factor to at least 95%.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

407.3 Intermittent Electric Loads

Electric service to equipment such as large motors or compressors, spot and arc welding machines, X-ray machines, arc-furnaces, elevators, dredges, locomotives, shovels, feed grinders, rock grinders, and any other type of customer equipment whose use of electricity is intermittent and subject to violent fluctuations, is provided by the Cooperative under the express condition that the operation of such equipment not interfere with the quality of the Cooperative's service to other members. Except for individual transformer type arc welders whose rated primary input current does not exceed 15 amperes at 120-volt operation, Members or applicants for service contemplating the installation of such equipment shall make specific prior arrangements with the Cooperative for service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

407.4 Equipment Impairing Service to Other Members

The Cooperative may decline to provide service, or may disconnect service, to Member's equipment whose operation may adversely affect Cooperative's service to its other Members until the Member having such equipment has, at Member's sole expense, taken all necessary corrective measures to reduce these adverse effects to a level acceptable to the Cooperative.

Cooperative may require Member to provide, at Member's sole expense, suitable apparatus to limit the effect of voltage fluctuations caused by electric equipment in Member's installation where Member is found to be operating electric equipment which produces voltage fluctuations, interference or distorted wave forms which adversely affect electric service provided by Cooperative to Members.

In lieu of requesting Member to install such suitable or special equipment limiting such adverse effect, Cooperative may, at its option, install at Member's cost additional transformer capacity (which may or may not be dedicated solely to such member) or other equipment specially designed to reasonably limit such adverse effect.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

407.5 Voltage and Wave Form Sensitive Equipment

Any Member planning the installation of, or operating electric equipment such as computers, communication equipment, electronic control devices, etc., whose performances may be adversely affected by voltage fluctuations and distorted 60 hertz wave forms shall be responsible for providing and installing the necessary facilities to limit these adverse effects.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

407.6 Change in Member's Electric Load (*Reference Section 205.13 of these Tariffs*)

407.7 Exclusive Service

The service provided by the Cooperative is for the exclusive use of the Member receiving service, and the Member shall not resell or share with any other consumer any such electric energy. The member shall not cause or permit another source of electric energy to operate in parallel with the Cooperative's system or use the Cooperative as a source of standby, auxiliary or supplemental service unless the Member has a written agreement with the Cooperative permitting such an arrangement.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

407.8 Prohibited Uses

The member shall not use electric energy for any unlawful purpose or in such a manner that life or property may be endangered.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

408. Attachments to Cooperative's Poles

No posters, banners, signs, light fixtures, radio or television antennas, basketball backboards, fences, structures, or any other type of foreign object may be attached to the Cooperative's property and equipment.

Any person who violates this provision shall be notified and requested to remove all foreign objects and/or equipment from the Cooperative's property. If the Member fails to remove said foreign objects immediately, the Cooperative will remove said foreign objects and/or equipment and bill the person for the cost incurred. The Cooperative may remove any foreign objects and/or equipment from the Cooperative's property and equipment without notice and without liability to the owner of said foreign objects.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

409. Working in the Vicinity of the Cooperative's Lines or Moving Equipment and/or Houses in the Area of the Cooperative's Lines

(Reference Section 205.15 of these Tariffs)

410. Relocation or Temporary Placement of Cooperative Facilities

(Reference Section 205.16 of these Tariffs)

411. Idle Service

Idle services are services which have been disconnected, but where the electric facilities remain in place. It shall be the policy of the Cooperative to retire such idle services under the following conditions:

- a. Service lines which are idle less than one (1) month shall not be removed, except when requested by the premises owner or when the premises have been abandoned.
- b. Service lines which are idle over one (1) month may be retired unless the owner reconnects such service at the regular rate. If such reconnected service is subsequently disconnected within twelve (12) months after being so reconnected, then this policy shall apply, and the service shall be subject to retirement.
- c. Idle service lines which are, or have been, under special contract may be retired at the discretion of the Cooperative.
- d. Idle service lines and fixtures under Security Light contract may be retired at the discretion of the Cooperative.
- e. When feasible, and at minimum expense to the Cooperative, the last known premises owner will be notified about the pending removal of facilities, and given the opportunity to reinstate service.

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

412. Standard Service Voltages

The Cooperative's standard service voltages for providing electric service are:

412.1 Single Phase Service

120/240 volts

240/480 volts

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

412.2 Three Phase Service

208Y/120	4 wire Y connection
240/120	4 wire delta connection
480/277 volt	4 wire Y connection
12,470/7200 volt	4 wire Y connection
24,900/14,400 volt	4 wire Y connection.

These voltage designations are nominal voltages, and actual voltages will be maintained insofar as reasonably practicable within the range of variations permitted by applicable standards.

APPROVED: 03/27/00

EFFECTIVE: 03/27/00

SECTION V
DEFINITIONS

500. AMR – Automated Meter Reading system(s) which may utilize differing technologies. Systems which can remotely read and communicate with Cooperative meters and other operating system devices.
501. Applicant - Any person, firm, association, corporation, or body politic or subdivision thereof, requesting that electric service be supplied to a consuming facility by the Cooperative.
502. Board of Directors - The duly elected Board of Directors of Nueces Electric Cooperative, Inc.
503. Collect or Collection - The act of obtaining payment from a Member for the use of electric service as billed by the Cooperative.
504. Commission - The Public Utility Commission of Texas (PUCT).
505. Connection - The act or state of joining a Member's electric facilities to the Cooperative's distribution system.
506. Cooperative - Nueces Electric Cooperative, Inc.
507. Delinquent - Any portion of a Member's bill unpaid after sixteen (16) days from the date of issuance, or in reference to a Member, any Member who has not paid the bill in full within sixteen (16) days from the date of issuance, except that if the sixteenth day falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.
508. Disconnection - The act or state of disjoining a Member's electric facilities from the Cooperative's distribution system.
509. Disconnecting Means or Main Disconnect - A switching device or devices located on the load, or Member's side of the point of delivery, by which the Member's entire electric system can be disconnected from the Cooperative's distribution system.
510. Distribution System - The Cooperative's primary and secondary voltage conductors, transformers, switchgear, connections, enclosures, pedestals, poles, guys, anchors, services, meters and all other associated equipment used to provide electric service, installed throughout the Cooperative's service area on and along the dedicated streets and easements of land, developments and subdivisions, such that individual service may be extended therefrom into the lots or tracts upon request by an applicant.
511. Dwelling - A single family housekeeping unit, properly equipped for full-time occupancy.
512. Electric Service or Service - The availability and/or actual delivery of electric power to the Member, including any and all acts done, rendered, or performed in making said electric power available to the Member, whether used by Member or not.

SECTION: DEFINITIONS

513. Energy - The capacity for doing work. The unit for measuring electric energy is the watt hour, or kilowatt hour which is 1,000 watt hours (kWh).
514. Facilities - All the plant and equipment of the Cooperative including all tangible personal property without limitation, in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by or in connection with the business of the Cooperative.
515. Member - Any person having a membership with the Cooperative and receiving electric service.
516. Member's Installation; Installation - All conductors, equipment, buildings, structures, or apparatus of any kind on Member's side of point of delivery excepting only Cooperative's metering equipment.
517. Meter - A device, or devices, together with auxiliary equipment, for measuring electric energy usage and/or demand and/or other data.
518. Meter Loop - A device consisting of conductor, conduit, meter socket, and associated hardware for the purpose of facilitating the connection of the Cooperative's service lead to the Member's electric facilities with facilities for metering the Member's electric usage through a kilowatt hour and/or demand meter in a circuit.
519. Meter Socket - A device that facilitates the connection of a kilowatt hour and/or demand meter in a circuit to measure the electric power flowing through that circuit.
520. Municipality - Any incorporated city, town or village.
521. Non-Permanent Dwelling - A dwelling so constructed as to be easily moved, hauled or otherwise relocated from its original foundation.
522. Non-Permanent Installation or Intermittent Use Installation - Any installation other than a permanent installation.
523. Permanent Installation - Any installation that is:
- A. Constructed on, or permanently affixed to, a concrete slab or concrete piers (not blocks) and which is actually used or occupied on a permanent full time basis; or
 - B. Any other structure which meets all of the following criteria:
 - 1. The structure must be impractical to move. Mobile homes with wheels, trailer hitches, and axle removed are considered impractical to move.
 - 2. The structure must be actually used or occupied on a permanent full time basis;
 - 3. The structure must be permanently connected to a water system and sewer or septic system.

SECTION: DEFINITIONS

524. Permanent Residential Dwelling - A dwelling that is so constructed as to be impractical to move, haul, or otherwise relocate from its original foundation, and that is occupied on a permanent, full-time basis.
525. Person - Any individual, partnership, association, joint venture, corporation, Cooperative Member, or governmental entity.
526. Point of Attachment - The point at which the Cooperative's service lead is attached to the Member's meter loop or service entrance equipment.
527. Point of Delivery - The point at which the Cooperative meters the Member's use of electric energy.
528. Premises - A tract of land or real estate including buildings or other structures or appurtenances thereon.
529. Rate Schedules - Any schedule of rates or charges approved by the Board of Directors and contained in these tariffs.
530. Reconnection - The act or state of connecting an existing point of delivery that previously received electric service prior to disconnection.
531. Regulatory Authority - The governing body of any municipality within which service is provided and having legal jurisdiction over the rates and service of the Cooperative.
532. Rules; Service Rules; Service Rules and Regulations - Any service rule or regulation of the Cooperative approved by the Board of Directors and contained in the Cooperative's tariffs.
533. RUS - Rural Utilities Service (USDA) - formerly REA.
534. Service Anchor or Support - The building structure, device, or other object by which the Cooperative's service lead is sufficiently anchored or supported.
535. Service Area - The PUCT certificated area of territory in which the Cooperative provides electric utility service.
536. Service Entrance - The Member's conduit, conductors, service head, and disconnecting mains that connects Member's electric facilities to the Cooperative's point of attachment.
537. Service Entrance Conductors - Conductors provided by the Member extending from Member's electric equipment to the point of delivery where connection is made to the Cooperative's conductors.
538. Service Leads - The Cooperative's service conductors extending from the point of transformation or junction to the point of attachment to Member's meter loop or service entrance.

SECTION: DEFINITIONS

- 539. STEC - South Texas Electric Cooperative, Inc.
- 540. Temporary - Non-Permanent Account - (*Refer to 521 and 522 of these Definitions*)
- 541. Transfer of Service - The act of disconnecting a Member's service and connecting service for the same Member at a different location within the Cooperative's service area.
- 542. Working Hours - The span of time during which Cooperative duties are discharged and/or business is conducted.
 - 1. Normal Working Hours: Normal working hours shall be from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding all holidays declared by the Cooperative.
 - 2. Off-duty Hours: Off-duty hours shall be the night-time period from 5:00 p.m. to 8:00 a.m., Monday through Thursday, and the Weekend period from 5:00 p.m. Friday until 8:00 a.m. the following Monday, and all holidays declared by the Cooperative.

APPROVED: 02/21/00
EFFECTIVE: 02/21/00

AGREEMENT FOR INTERCONNECTION AND
PARALLEL OPERATION OF COGENERATION OR
SMALL POWER PRODUCTION INSTALLATION; 100 KW OR LESS

THIS AGREEMENT made this ___ day of _____, _____, by and between _____ hereinafter referred to as the "Producer," and Nueces Electric Cooperative, Inc., hereinafter referred to as the "Cooperative," is as follows:

1. Purpose. Producer owns or intends to own and/or operate a qualifying electric power generating installation and desires to inter-connect and operate such installation in parallel with Cooperative's electric distribution system. This agreement defines the relationship between the Cooperative and Producer including terms affecting purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Producer's Generating Installation. The generating installation to which this agreement applies is described as:

Make _____
Model _____
Serial # _____
Fuel or Energy Source _____
Nameplate Output Rating _____ kW
Operating Voltage _____ Volts
Connection _____ Phase
Located at _____

Emergency Contact:

Name _____
Address _____
Phone _____

3. Terms. The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, sales and purchases of electricity will be governed by the Cooperative's Tariff including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, SAID TARIFF including all service rules, regulations, and rates IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICE IN ROBSTOWN, TEXAS.

4. Interconnection. Prior to interconnection Producer shall (1) fulfill all requisites for the provision of electric utility service contained in the tariff; (2) provide an interconnection plan and other information; (3) comply with conditions for line extension; (4) provide satisfactory liability insurance; (5) sign and deliver this Agreement; (6) complete construction; (7) comply with laws; (8) give notice of intent to energize; and (9) eliminate any conditions preventing interconnection. Producer warrants to Cooperative that Producer's power generating installation is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.

SECTION: FORMS

5. Parallel Operation. Producer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Producer's conductors contact the Cooperative's conductors. The electric power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected. Producer shall install and/or pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and meter(s) at all times.

The Cooperative's LIABILITY IS LIMITED in accordance with its tariff and Producer agrees to indemnify and hold the Cooperative harmless from all claims except as specified in the tariff.

6. Purchases of Electricity from Producer. At the option of the Producer, the Cooperative will purchase:

_____ No output from the generating installation while allowing the Producer to use the output to offset the Producer's total consumption, with the Producer's meter(s) modified to prevent reverse metering;

or

_____ The net surplus output from the generating installation as measured by a second service meter which records the net surplus output of Producer into the Cooperative's system; where the net surplus is defined to be the accumulated instantaneous output of the Producer in excess of Producer's simultaneous instantaneous load;

or

_____ The output of Producer's generating installation as measured by a second meter which records the output while charging the Producer for the Producer's consumption.

The Cooperative will pay for electricity purchased from Producer at the applicable tariff rate for qualifying power generation installations. Since the Cooperative is contractually and legally obligated to purchase electricity from South Texas Electric Cooperative (STEC), the Cooperative's avoided energy cost is equal to that of STEC. Any excess energy, purchased herein shall be at the avoided energy cost of STEC which they agree to provide on a monthly basis to Cooperative to facilitate payments herein. STEC expressly consents to this Agreement.

At the option of the Producer, the Cooperative will:

_____ Credit the value of all output purchased from the Producer's generating installation against the monthly bill for service for the month following receipt of the Producer's meter reading(s) for the monthly billing cycle;

or

_____ Pay Producer by check for all output purchased from Producer's generating installation within _____ days from receipt of the Customer's meter reading(s) for the monthly billing period.

SECTION: FORMS

7. Sales of Electric Service to Producer. Producer agrees to pay for electric service in accordance with the rate schedule applicable to _____ class. If any tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having a jurisdiction thereof, whether or not at the request of the Cooperative, such changed tariff, rate/or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change. Periodically, Cooperative will render to Producer a statement of services rendered. Producer agrees to pay the total amount shown on such statement within sixteen (16) days from its date. Payment shall be made to Cooperative at its office in Robstown, Nueces County, Texas. Failure to make such payment shall result in disconnection from the Cooperative's electric system in accordance with the Cooperative's Tariff Manual hereby incorporated by reference.

8. Term. The acceptance of this instrument by the Cooperative shall constitute an agreement between the Producer and the Cooperative which shall continue in force for an initial term of _____ years (not to exceed 5 years) from the date service is made available by the Cooperative to the Producer. After the initial term, this agreement may be terminated by either party giving at least thirty (30) days written notice to the other.

9. Breach. The failure or refusal to perform any obligation contained in this agreement shall constitute a breach of this agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this agreement, Cooperative may discontinue service if Producer has breached any portion of this agreement by failure to make timely payment or otherwise.

10. Entire Agreement. This agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Producer and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. Producer agrees that it is not relying on any statements not herein contained.

11. Assignment. This agreement shall not be assigned by Producer except in accordance with the Articles, By-Laws, and rules and regulations of Cooperative. This agreement shall inure to the benefit of Cooperative's assigns.

12. Interconnection Cost. Producer agrees to pay for extension of Cooperative's facilities and other interconnection costs as follows:

\$ _____ in advance of any work by the Cooperative;

or

\$ _____ per month as an increased monthly minimum over and above the applicable minimum stated in the Cooperative's tariff.

13. Other Costs

Producer agrees to reimburse Cooperative for all future costs, including:

1. costs required to correct the quality of service provided by Producers, or
2. costs of modifications to Cooperative's system in order to purchase or continue to purchase Producer's output, or

SECTION: FORMS

- 3. costs associated with meter reading, billing or other activities engaged in by Cooperative as a result of the purchase of the Producer's output.

These costs may include, but are not limited to, the costs of special interconnection equipment, protective devices, control devices, upgrading of distribution system components, associated engineering and general and administrative expenses, maintenance and repair costs of the modifications and equipment, and other just and reasonable costs which are allocable to the Producer's small power generating installation.

14. Miscellaneous. Producer hereby agrees to binding arbitration should Producer have any complaints arising under this contract. The Arbitrator shall be chosen by the Cooperative. Producer agrees to pay Cooperative for all legal cost incurred by the Cooperative in connection with said dispute. It is controllingly provided, that the Cooperative does not intend to charge, collect or contract for greater interest allowed by law and should such event occur, Producer agrees that it is bonafide error and shall give Cooperative 60 days notice to cure.

15. Receipt of Tariff. Producer acknowledges receipt of a copy of the Cooperative Tariff.

NUECES ELECTRIC COOPERATIVE, INC.:

By: _____

SOUTH TEXAS ELECTRIC COOPERATIVE, INC.

By: _____

PRODUCER:

By: _____

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

SECTION: FORMS

AGREEMENT FOR STANDBY WITH MAINTENANCE POWER

THIS AGREEMENT made this ___ day of _____, _____, by and between _____ hereinafter referred to as the "Customer," and Nueces Electric Cooperative, Inc., hereinafter referred to as the "Cooperative," is as follows:

1. Purpose. Customer owns and operates a qualifying _____ and desires to inter-connect and operate such installation in parallel with Cooperative's electric distribution system. This agreement defines the relationship between the Cooperative and Customer including terms affecting purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Customer's Generating Installation. The generating installation to which this agreement applies is described as:

Make _____
Model _____
Serial # _____
Fuel or Energy Source _____
Nameplate Output Rating _____ kW
Operating Voltage _____ Volts
Connection _____ Phase
Located at _____

Emergency Contact:

Name _____
Address _____
Phone _____

3. Interconnection. Prior to interconnection Customer shall (1) fulfill all requisites for the provision of electric utility service contained in the tariff; (2) provide an interconnection plan and other information; (3) comply with conditions for line extension; (4) provide satisfactory liability insurance; (5) sign and deliver this Agreement; (6) complete construction; (7) comply with laws; (8) give notice of intent to energize; and (9) eliminate any conditions preventing interconnection. Customer warrants to Cooperative that Customer's power generating installation is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.

4. Parallel Operation. Customer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Customer's conductors contact the Cooperative's conductors. The electric power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected. Customer shall install and/or pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and meter(s) at all times.

SECTION: FORMS

The Cooperative's LIABILITY IS LIMITED in accordance with its tariff and Customer agrees to indemnify and hold the Cooperative harmless from all claims except as specified in the tariff.

5. Sales of Electric Service to Customer. Customer agrees to pay for electric service in accordance with the rate schedule applicable to Standby and Maintenance Power. If any tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having a jurisdiction thereof, whether or not at the request of the Cooperative, such changed tariff, rate/or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change. Periodically, Cooperative will render to Customer a statement of services rendered. Customer agrees to pay the total amount shown on such statement within sixteen (16) days from its date. Payment shall be made to Cooperative at its office in Robstown, Nueces County, Texas. Failure to make such payment shall result in disconnection from the Cooperative's electric system in accordance with the Cooperative's Tariff Manual hereby incorporated by reference.

6. Breach. The failure or refusal to perform any obligation contained in this agreement shall constitute a breach of this agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this agreement, Cooperative may discontinue service if Customer has breached any portion of this agreement by failure to make timely payment or otherwise.

7. Entire Agreement. This agreement plus the line extension agreement (attached) constitutes the entire agreement between the parties and supersedes all prior agreements between Customer and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. Customer agrees that it is not relying on any statements not herein contained.

8. Assignment. This agreement shall not be assigned by Customer except in accordance with the Articles, By-Laws, and rules and regulations of Cooperative. This agreement shall inure to the benefit of Cooperative's assigns.

9. Other Costs

Customer agrees to reimburse Cooperative for all future costs, including:

- a. costs required to correct the quality of service provided by Customers, or
- b. costs of modifications to Cooperative's system in order to purchase or continue to purchase Customer's output, or
- c. costs associated with meter reading, billing or other activities engaged in by Cooperative as a result of the purchase of the Customer's output.

These costs may include, but are not limited to, the costs of special interconnection equipment, protective devices, control devices, upgrading of distribution system components, associated engineering and general and administrative expenses, maintenance and repair costs of the modifications and equipment, and other just and reasonable costs which are allocable to the Customer's power generating installation.

10. Standby with Maintenance Power - Rider 3a. Availability

This rider is available to customers requesting Standby with Maintenance Power from Cooperative which may be substituted, either directly or indirectly, for customer-owned and operated power production equipment or other source of power when taken alone or in conjunction with rate schedule "Large Power" on execution by the customer of Cooperative's electric service contract. Service is available only if Cooperative's existing facilities are adequate or if adequate facilities can be built or rebuilt at customer's expense, to provide such service and if service to customer will not, in Cooperative's sole judgment, impair Cooperative's ability to serve the requirements of its existing customers. Customer's source of power may be operated in parallel with Cooperative's system in accordance with Cooperative's Parallel Generation Requirements in Section III, Sheet 33 of the Cooperative's Service Rules and Regulations provided customer installs such protective equipment as Cooperative may reasonably require to protect both customer's equipment and Cooperative's equipment in the event of malfunction on either system.

THE CUSTOMER AGREES TO ASSUME LIABILITY FOR ANY AND ALL DAMAGES AS A RESULT OF PARALLEL OPERATION TO THE EXTENT ATTRIBUTABLE TO THE CUSTOMER'S SOURCE OF POWER AND AS FURTHER PROVIDED IN THE TERMS OF THE COOPERATIVE'S "PARALLEL GENERATION REQUIREMENTS" IN SECTION III, SHEET 33 OF THE COOPERATIVE'S SERVICE RULES AND REGULATIONS.

Cooperative will provide at its expense the normal metering equipment for the size and type of load served. Cooperative will provide, at customer's expense, other metering equipment on the service and/or the other source of power determined by the Cooperative as necessary.

b. Standby Power

Cooperative agrees to supply Standby Power up to but not exceeding the amount stated on the electric service contract, herein referred to as the "Contract Capacity for Standby Power" or "Standby Contract Capacity". Such kW's or kVAs and all kWh's used will be billed in accordance with the provisions of the rate schedule to which the rider is applicable except as modified as described herein. The minimum provisions of any rate do not apply for billing purposes for standby power. If customer's metered demand exceeds the Standby Contract Capacity, the excess will be billed at the demand charge of the applicable rate schedule for two months and, with the written consent of the Cooperative, the Standby Contract Capacity will be increased to the demand level established that month for the duration of the contract, not to exceed twenty-four (24) months. However, the maximum Standby Contract Capacity shall not exceed the demonstrable capacity of customer's generating units operating at customer's location and at 95 degrees Fahrenheit ambient air temperature. In the event that customer's metered demand exceeds the maximum demonstrable capacity of customer's generating units, such excess will be billed in accordance with the rate schedule for a period not to exceed twelve (12) months.

c. Monthly Rate

Demand Charge for Distribution Delivery Availability Service:

Distribution Secondary Level Service @ \$3.90 per contract kW

Distribution Primary Level Service @ \$3.75 per contract kW

Plus

Power Supply Demand Charge:

Distribution Secondary Level Service @ \$6.65 per On-Peak Billing kW

Distribution Primary Level Service @ \$6.40 per On-Peak Billing kW

Plus

Power Supply Energy Charge @ \$0.032328 per kWh

Contract kW

The contract kW shall be the greater of the kW established in the Electric Service Agreement or the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

Power Supply Demand Charge

The kilowatt demand established by the customer on the coincidental peak period for the Cooperative's wholesale power supplier billing for the current billing period but not less than eighty percent (80%) of such coincidental peak demand established during the months of June through September in the preceding eleven (11) months.

d. Scheduled Maintenance Power

In order to qualify for scheduled Maintenance Power, the following conditions must be met:

- 1) Customer must submit to Cooperative at least 50 days prior written notice of the intent to perform maintenance.

- 2) The outage or outages may include up to four occasions, which total up to thirty (30) days in a calendar year but must be scheduled, with Cooperative's approval, during the period starting on October 1 and ending on December 15 (inclusive) or during the period starting on February 15 and ending on April 30 (inclusive). Customer must provide the Cooperative with a window for maintenance that will count against these thirty (30) days and any maintenance that is outside this window will not be billed as scheduled maintenance Power. Cooperative must be provided at least 50 days prior notice to any change in the customer's maintenance schedule.
- 3) Customer's demand during scheduled maintenance not to exceed _____ kW.

e. Determination of Billing Demand

The billing demand will be measured and will be the kW or kVA load established by the customer during the 15-minute period of maximum use during the current month (Maximum demand of approximately _____ kW per month).

When service under this rider is taken in conjunction with other service, the following allowance applies.

During periods of forced shutdown, power production equipment failure or scheduled or unscheduled maintenance, that portion of the customer's metered demand attributable to load for which this Service is provided will be ignored both for computing current monthly payments for other services provided to the customer and in determining minimums or other factors affecting billing in future months for other service supplied to the customer.

f. Terms and Conditions

The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, sales and purchases of electricity will be governed by the Cooperative's Tariff including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, SAID TARIFF including all service rules, regulations, and rates IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICE IN ROBSTOWN, TEXAS.

The acceptance of this instrument by the Cooperative shall constitute an agreement between the Customer and the Cooperative which shall continue in force for an initial term of _____ years from the date service is made available by the Cooperative to the Customer. After the initial term, this agreement may be terminated by either party giving at least _____ days written notice to the other.

Service furnished under this rider is subject to all provisions of the rate schedule which is applicable and made a part of this contract, except for those which are specifically modified herein. Where a choice exists in this rider between specification of demand units of kW and kVA, the units used will be those used to measure demand in the rate which the customer is taking service.

11. Miscellaneous. Customer hereby agrees to binding arbitration should Customer have any complaints arising under this contract. The Arbitrator shall be chosen by the Cooperative. It is controllingly provided, that the Cooperative does not intend to charge, collect or contract for greater interest allowed by law and should such event occur, Customer agrees that it is bonafide error and shall give Cooperative 60 days notice to cure. Each party pays its own legal fees and each party agrees to pay one-half of the arbitration costs.

12. Receipt of Tariff. Customer acknowledges receipt of a copy of the Cooperative Tariff.

NUECES ELECTRIC COOPERATIVE, INC.:

By: _____

CUSTOMER:

By: _____

TAX ID# _____

*APPROVED: 06/26/00
EFFECTIVE: 08/01/00*

**NUECES ELECTRIC COOPERATIVE, INC.
P O BOX 1032
ROBSTOWN, TX 78380**

COMMERCIAL AVERAGE MONTHLY PAYMENT PLAN (CAMP)

Account No. _____	Date _____
Name _____	Map Location _____
Address _____	Monthly Payment _____
_____	Additional Deposit _____

The typical Customer uses more electricity in some months than in others. This means electric service bills will be higher in some months than others. For the convenience of our qualified commercial customers, Nueces Electric Cooperative, Inc. (NEC) will arrange for members to pay a level billing for each month rather than the standard bill. The conditions necessary for entering into the Commercial Average Monthly Payment Plan (CAMP) program are as follows:

1) **Eligibility:** Any NEC commercial customer with a primary metered load and/or a commercial account over 35 kW demand, excluding oil wells and gins, who has received service for 12 months or more, and who has not been delinquent in any account will be eligible. They must be able to demonstrate an acceptable credit record.

2) **Calculation of Bill:** The immediate past twelve (12) electric bills shall be totaled and divided by twelve (12) to determine the monthly amount to be paid. This calculation allows for variations in usage, changes in wholesale power costs, and increases in fuel costs. This amount may be increased due to rate increases.

3) **Review Procedures:** Every three (3) months a new 12-month average will be calculated using the immediate past twelve (12) electric bills. This will assure that the CAMP bill is consistent with the customer's usage.

4) **Bill:** Customer's meter will be read at the normal meter reading time. The monthly actual bill will be calculated under the appropriate rate schedule. CAMP customers will receive a bill stating the actual usage and costs, but will be billed only the CAMP amount. The bill will also provide the customer with the current cumulative debit or credit balance of the CAMP program.

5) **Late Payment:** The CAMP billing is due upon issuance of each month's bill and is to be paid not later than sixteen (16) days after issuance. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next working day after the due date. If payment of the CAMP monthly amount is not made each month when due, the Cooperative reserves the right to place the customer on normal billing with all balances due and payable in accordance with NEC's Tariff.

6) Discontinuation of Service: If the customer moves, or for other reason discontinues electric service, the total amount owed to the Cooperative according to the actual billing shall become due and payable immediately.

7) Contract Adjustment or Cancellation: The CAMP contract may be canceled by either the member or the Cooperative upon thirty (30) days written notice, and the Cooperative's normal billing and payment procedures will then apply. Significant changes in a customer's service requirements may require the customer to re-establish a twelve (12) month billing history on the account to qualify for the CAMP program.

8) Deposits: The Company may require a deposit from Customers entering CAMP; such deposit will not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billing. The Company may retain this deposit for the duration of Customer's continued billing under CAMP; however, the Company will pay interest on the deposit as provided in the Terms and Conditions of NEC's Tariff. The deposit and interest will be refunded to the Customer after any twelve (12) month period where they have had no late or partial payments.

I certify that I have read and understand the terms of this contract and desire to enter into the Commercial Average Monthly Payment Plan (CAMP) and to abide by the conditions outlined above.

Member's Signature

Cooperative Approval

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

NUECES ELECTRIC COOPERATIVE, INC.
Robstown, Texas

DEFERRED PAYMENT AGREEMENT

I, the undersigned, promise to pay to the order of NUECES ELECTRIC COOPERATIVE, INC., Robstown, Texas, my outstanding bill of \$_____ as follows:

The sum of \$_____ to be paid on or before _____ (month/day/year). The second installment of \$_____ shall be paid on or before _____ (month/day/year), and the final installment of \$_____ is due on or before _____ (month/day/year).

Service will not be discontinued for non-payment of previous billing if Member pays current bills in addition to the foregoing sums. Failure to make payments as stipulated above, or failure to pay in full all current and future electric bills shall constitute grounds for disconnection of electric service without further negotiation.

IF YOU ARE NOT SATISFIED WITH THIS CONTRACT, OR IF AGREEMENT WAS MADE BY TELEPHONE AND YOU FEEL THIS CONTRACT DOES NOT REFLECT YOUR UNDERSTANDING OF THAT AGREEMENT, CONTACT THE UTILITY IMMEDIATELY AND DO NOT SIGN THIS CONTRACT.

IF YOU DO NOT CONTACT THE UTILITY, OR IF YOU SIGN THIS AGREEMENT, YOU GIVE UP YOUR RIGHT TO DISPUTE THE AMOUNT DUE UNDER THE AGREEMENT EXCEPT FOR THE UTILITY'S FAILURE OR REFUSAL TO COMPLY WITH THE TERMS OF THIS AGREEMENT.

Signed: _____

By: _____

Date: _____
(Month/Date/Year)

Account Number: _____

Account Name: _____

**APPROVED: 08/24/99
EFFECTIVE: 08/24/99**

NUECES ELECTRIC COOPERATIVE, INC.

ELECTRIC SERVICE AGREEMENT

The undersigned (hereinafter called the "Applicant") hereby applies for electric service from Nueces Electric Cooperative, Inc. (hereinafter called the "Cooperative"), upon the following terms and conditions:

1. The Applicant will, when electricity becomes available, purchase from the Cooperative all electric energy used on the premises and will pay thereafter monthly at the rate to be determined from time to time in accordance with the rate schedules, rules and regulations of the Cooperative. The Applicant will pay a bill in accordance with Rate Schedule No. _____.

2. The Applicant agrees to comply with and be bound by the provisions of the Articles of Incorporation and Bylaws of the Cooperative, and such rules and regulations as may from time to time be adopted by the Cooperative. The electric service contracted for herein is to be provided and taken in accordance with the provisions of this Agreement and the Cooperative's tariff. SAID TARIFF IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COOPERATIVE'S OFFICES IN ROBSTOWN, TEXAS. Any tariff provision, including rates and charges for electric service, may be charged, including by order or consent of any regulatory authority having jurisdiction thereof whether or not at the request of the Cooperative.

3. Applicant shall make a contribution in Aid of Construction in the amount of \$_____.

4. The minimum charge for each billing period (approximately 30 days) shall be as declared in the appropriate rates sections of Cooperative's tariffs.

Rebates during the initial term of the contract shall be in accordance with the appropriate tariff.

5. Applicant warrants that Applicant's installation, including all conductors, switches, equipment, wiring and protective devices of any kind, is constructed and will be operated and maintained in a safe manner and in accordance with any and all applicable laws, ordinances, the National Electric Code, and the National Electric Safety Code.

6. Applicant assumes all responsibility for the electric current, and for the wires, apparatus and appurtenances used in connection therewith, upon Applicant's premises and at and from the point of delivery of power if such point is located off Applicant's premises, and will protect, indemnify and save Cooperative harmless from all claims from injury or damage occasioned by such electric current for said wires, apparatus or appurtenances to person or property occurring upon Applicant's premises, or at and from such points of delivery, even if due to

Cooperative's negligence, whether sole or joint, and concurrent with the negligence of an Applicant or third parties.

7. Cooperative agrees to use reasonable diligence to provide electric utility service to a point of delivery at Applicant's service location.

8. Applicant agrees to grant or to secure for Cooperative, at Applicant's expense, any rights-of-way on property owned or controlled by Applicant, and to provide suitable space on such premises for installation of facilities where such rights-of-way and space are necessary to provide electric service to Applicant. Cooperative's representatives, employees and assigns are hereby granted rights of ingress and egress to Applicant's premises at all reasonable times for the purpose of inspection of facilities and/or performing maintenance, system improvements and modifications to the facilities on the premises.

9. If Applicant limits access to Applicant's premises with locks on the gates, the Cooperative is hereby granted authority to place a separate Cooperative lock to provide access for Cooperative personnel.

10. Upon failure to make payment or perform any obligation under this agreement or the Cooperative's tariffs, the Cooperative shall have the right to discontinue service, as well as such remedies as may be provided by law.

11. This agreement constitutes the entire agreement between the Applicant and Cooperative and supersedes any and all prior agreements between the Applicant and Cooperative for the service herein described. Applicant agrees that the Cooperative, its agents and employees, have made no representations, promises and any inducements, written or verbal which are not contained herein.

12. The acceptance of the application by the Cooperative shall constitute an agreement between the Applicant and the Cooperative, this agreement for Electric service shall continue in force for _____ years from the date service is made available by the Cooperative to the Applicant, and thereafter until canceled by at least _____ days written notice given by either party to the other.

13. In the event that Applicant breaches this contract or is in default in any provision hereof, Applicant agrees to pay the Cooperative its reasonable attorney fees and any court costs incurred in the enforcement of this contract or for damage.

SECTION: FORMS

APPLICANT'S NAME _____

SOCIAL SECURITY OR TAX ID# _____

MAILING ADDRESS _____

TEXAS DRIVERS LICENSE # _____

PHONE # _____

SERVICE ADDRESS _____

APPLICANT SIGNATURE

<p>For Office Use:</p> <p>DEPOSIT: \$ _____ OR NAME OF GUARANTOR _____ GUARANTOR'S NEC ACCT. # _____ ACCELERATED MINIMUM BILL \$ _____ # of Mos _____ AID TO CONSTRUCTION \$ _____</p> <p>NUECES ELECTRIC COOPERATIVE, INC. REPRESENTATIVE: _____</p>

*APPROVED: 06/26/00
EFFECTIVE: 08/01/00*

**NUECES ELECTRIC COOPERATIVE, INC.
P O BOX 1032
ROBSTOWN, TX 78380**

EQUAL PAYMENT PLAN

Account No. _____	Date _____
Name _____	Map Location _____
Address _____	Monthly Payment _____
_____	Additional Deposit _____

The typical Customer uses more electricity in some months than in others. This means electric service bills will be higher in some months than others. For the convenience of our members, Nueces Electric Cooperative, Inc. (NEC) will arrange for members to pay a level billing for each month rather than the standard bill. The conditions necessary for entering into an equal payment program are as follows:

- 1) **Eligibility:** Any NEC member who has received service on an account for 12 months or more will be eligible with these stipulations:
 - a) The member must not be delinquent in any account;
 - b) The eligible accounts are residential and small commercial under 35 kW demand;
 - c) The member must be able to demonstrate an acceptable credit record.

2) **Calculation of Bill:** The immediate past twelve (12) electric bills shall be totaled and divided by twelve (12) to determine the monthly amount to be paid. This calculation is to allow for variations in usage, changes in wholesale power costs, and increases in fuel costs. This amount may be increased due to rate increases.

3) **Review Procedures:** The Cooperative will review the Equal Payment amount with respect to the amount of the balance in the Customer's account, monthly; and will recalculate the Equal Payment amount. In addition, the Equal Payment amount may be increased to reflect any rate increase.

4) **Bill:** Customer's meter will be read at the normal meter reading time. The monthly actual bill will be calculated under the appropriate rate schedule. Equal Payment Plan customers will receive a bill stating the actual usage and costs, but will be billed only the Equal Payment Plan amount. The bill will also provide the customer with the current cumulative debit or credit balance of the Equal Payment Plan program.

SECTION: FORMS

5) Late Payment: The equal payment billing is due upon issuance of each month's bill and is to be paid not later than sixteen (16) days after issuance. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next working day after the due date. If payment of the equal payment monthly amount is not made each month when due, the Cooperative reserves the right to place the consumer on normal billing with all balances due and payable in accordance with NEC's Tariff.

6) Discontinuation of Service: If the Customer moves, or for other reason discontinues electric service, the total amount owed to the Cooperative according to the actual billing shall become due and payable immediately.

7) Contract Adjustment or Cancellation: The equal payment plan contract may be canceled by either the member or the Cooperative upon thirty (30) days written notice, and the Cooperative's normal billing and payment procedures will then apply. Significant changes in a customer's service requirements may require them to re-establish a twelve (12) month billing history on the account to qualify for the program.

8) Deposits: The Company may require a deposit from Customers entering the Equal Payment Plan; such deposit will not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billing. The Company may retain this deposit for the duration of Customer's continued billing under the Equal Payment Plan; however, the Company will pay interest on the deposit as provided in the Terms and Conditions of NEC's Tariff. The deposit and interest will be refunded to the Customer after any twelve (12) month period where they have had no late or partial payments.

I certify that I have read and understand the terms of this contract and desire to enter into the Equal Payment Plan and to abide by the conditions outlined above.

Member's Signature

Cooperative Approval

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

Membership/Capital Credit # _____

**NUECES ELECTRIC COOPERATIVE, INC.
GENERAL APPLICATION FOR MEMBERSHIP**

I, "Applicant," hereby make application for membership in Nueces Electric Cooperative, subject to a **NON-REFUNDABLE \$25 ACCOUNT ACTIVATION FEE PER METER**, a **\$15 MEMBERSHIP FEE** and approval by the Board of Directors. I understand that I am responsible for a **\$60 METERING EQUIPMENT DEPOSIT PER METER** which will be retained, earning interest, by the cooperative until service is disconnected, and until all money owed has been paid and metering equipment is left in good condition. I also understand that I may be required to pay a deposit if I am deemed now (or in the future) to be a credit risk to the Cooperative. I presently do not hold another membership in the Cooperative. Subject to applicable provisions of the bylaws of the Cooperative as they exist and any modifications thereto properly approved and authorized from time to time, I understand that: (i) the application fee is non-refundable; (ii) the membership fee is refundable only upon termination of electric service provided that all debts and obligations have been paid; (iii) the membership fee may be placed in my membership account and that said account may also be used to facilitate distributions, if any; (iv) upon termination of electric service, the funds in my membership account shall normally be refunded if I am able to be located; (v) the membership fee is non-transferable and that no interest shall be payable or accrue on the membership fee or other monies held in a member's capital account; and (vi) my member's capital account may be used to offset losses incurred by the Cooperative. I agree to follow and accept the Cooperative Bylaws and tariff provisions as they exist and any modifications thereto properly approved and authorized from time to time.

Date: _____ Applicant: _____

By: _____

CREDIT INFORMATION

1. FULL NAME ON DRIVERS LICENSE (D.L.) _____ D.L. NO _____
EXPIRATION DATE _____ STATE _____
2. SOCIAL SECURITY NUMBER: ____/____/____.
3. DATE OF BIRTH: ____/____/____.
4. MAILING ADDRESS: _____

Street or PO Box	City	State	Zip Code
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HOME PHONE: () _____ E-MAIL ADDRESS _____
5. PLACE OF EMPLOYMENT _____ HOW LONG _____ PHONE () _____
6. Check one of the following: I OWN MY HOME _____ I RENT MY HOME _____
7. NAME OF NEAREST RELATIVE (not living at the above address) _____ PHONE () _____

8. SPOUSE'S NAME _____
PLACE OF EMPLOYMENT _____ HOW LONG ____ PHONE () _____
D.L. NO. _____ EXPIRATION DATE ____ STATE _____ SOCIAL SECURITY # ____/____/____
9. NAME OF LAST ELECTRIC SERVICE PROVIDER (Company) _____

Please note, your response to this section is optional. The information you provide will be used only for Federal Government Reporting Purposes.

DATA COLLECTION INFORMATION

As recipients of federal assistance, Nueces Electric Cooperative is required to identify and document as accurately as possible the racial/ethnic data on the eligible population in our service area. We would appreciate your checking the appropriate group listed below.

RACIAL/ETHNIC GROUP

- | | | |
|----|---|-------|
| 1. | White | _____ |
| 2. | Black or African American | _____ |
| 3. | Hispanic or Latino | _____ |
| 4. | American Indian or Alaska Native | _____ |
| 5. | Asian | _____ |
| 6. | Native Hawaiian or Other Pacific Islander | _____ |
| 7. | Other | _____ |

Thank you for your cooperation in this matter.

APPROVED: 06/26/00
EFFECTIVE: 08/01/00

NUECES ELECTRIC COOPERATIVE, INC.

Robstown, Texas

Guarantee to Pay Bills for Electric Service

I, _____, promise to pay to NUECES ELECTRIC COOPERATIVE, INC., at Robstown, Texas, all bills for electric service as rendered. Payment shall be made promptly following receipt of billing and shall be paid on or before sixteen (16) days from the date of issuance by the Cooperative. If the 16th day falls on a holiday or weekend, the due date will be the next work day.

Date: _____

Surety Agreement:

The undersigned, as Surety for the payment of the above Guarantee, does hereby agree to Guarantee the payment as herein-above stated. Surety agrees to pay to the Cooperative the total amount shown on each bill issued to the aforesigned person up to the amount of the guarantee. Such payment shall be made upon demand.

If Surety fails to make payment as herein agreed, the Cooperative shall disconnect service to Surety without further notice.

Amount of Guarantee \$ _____

Surety

Date: _____

**APPROVED: 03/27/00
EFFECTIVE: 03/27/00**

**NUECES ELECTRIC COOPERATIVE, INC.
P O BOX 1032
ROBSTOWN, TX 78380**

LEAVE-ON AGREEMENT

Customer Name: _____

Account Number: _____

1. This Leave-On Agreement (Agreement) is entered into between the owners or managers (Customer) of an individually metered residential or commercial rental complex or property and Nueces Electric Cooperative (Cooperative). The Agreement allows for continuous electric service to a rental unit. The Customer agrees to be responsible for all electric service beginning with the disconnect date established by the existing renter until connection by the new renter. The account will be listed in the Customer's name and service will remain connected until the new renter connects service. The Customer will be responsible for paying the monthly bills until the account is transferred to the new renter.
2. The Leave-On Agreement initiation charge is a one-time charge per street address to set up rental units designated in Exhibit A as a "leave-on" account. All units in Exhibit A must be part of the same location/complex. The initiation charge will be charged to the account number listed above.
3. Each time electric service to one of the "leave-on" rental units is connected in the Customer's name, an Agreement Activity Charge will be assessed the Customer.
4. This Agreement shall continue in effect for the rental units identified herein until terminated by either party by written notice mailed or delivered to the other party at least thirty (30) days prior to the date of termination of the Agreement. It is understood and agreed to that any unpaid amounts as a result of this Agreement can and will be transferred to an active account of the owner/manager.
5. The undersigned Customer understands all charges and provisions provided in this Agreement and hereby authorizes Cooperative to set up the following accounts as "leave-On" accounts until further written notice.
6. The addition of units to Exhibit A will require the execution of a new Agreement and Leave-On Agreement initiation charge. It is agreed that any changes in the coverage of this Agreement requested by Customer shall become effective no more than ten (10) working days after Customer's written request for such changes.
7. This Agreement will not automatically connect in Customer's name if service is disconnected for non-payment. The Customer will be responsible for requesting service to be connected and a Customer Account Fee will be assessed.

ACCEPTED BY:

ACCEPTED:
NUECES ELECTRIC COOPERATIVE, INC.

CUSTOMER

DATE

BY _____
DATE

OFFICIAL CAPACITY

TITLE

EXHIBIT A
LEAVE-ON AGREEMENT ACCOUNTS

ACCOUNT NAME: _____ CONTACT TELEPHONE # _____

MAILING ADDRESS: _____ NAME: _____

<u>ADDRESS</u>	<u>UNIT #</u>	<u>ACCOUNT NUMBER</u>	<u>EFFECTIVE DATE</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

CUSTOMER

NUECES ELECTRIC COOPERATIVE, INC.

OFFICIAL CAPACITY

NEC REPRESENTATIVE

APPROVED: 08/24/99
EFFECTIVE: 08/24/99

Membership/Capital Credit # _____

**NUECES ELECTRIC COOPERATIVE, INC.
APPLICATION FOR MEMBERSHIP
(Commercial or Industrial)**

_____ (*name of business*), hereby makes application for membership in Nueces Electric Cooperative, subject to a non-refundable **\$25 ACCOUNT ACTIVATION FEE PER METER**, a **\$15 MEMBERSHIP FEE**, and approval by the Board of Directors. I understand that I am responsible for a **\$60 METERING EQUIPMENT DEPOSIT PER METER** which will be retained, earning interest, by the cooperative until service is disconnected, and until all money owed has been paid and metering equipment is left in good condition. I also understand that our business may be required to pay a deposit if deemed now (or in the future) to be a credit risk to the Cooperative. Our business presently does not hold another membership in the Cooperative. Subject to applicable provisions of the bylaws of the Cooperative as they exist and any modifications thereto properly approved and authorized from time to time, I understand that:

- (i) the account activation fee(s) is non-refundable;
- (ii) the membership fee is refundable only upon termination of electric service provided that all debts and obligations have been paid;
- (iii) the membership fee may be placed in my membership account and that said account may also be used to facilitate distributions, if any;
- (iv) upon termination of electric service, the funds in my membership account shall normally be refunded if I am able to be located;
- (v) the membership fee is non-transferable and that no interest shall be payable or accrue on the membership fee or other monies held in a member's capital account; and
- (vi) my member's capital account may be used to offset losses incurred by the Cooperative.

I agree to follow and accept the Cooperative's Bylaws and tariff provisions as they exist and any modifications thereto properly approved and authorized from time to time.

Date _____ Authorized Representative _____

(please print name & title)

Signature of Authorized Representative _____

BILLING INFORMATION

1. FULL NAME OF BUSINESS _____

2. FEDERAL TAX IDENTIFICATION # _____

(if tax exempt, please attach completed tax exempt form)

3. MAILING ADDRESS: _____

Street or PO Box

City

State

Zip Code

SECTION: FORMS

4. BILLING ADDRESS (if different from mailing address)

Street or PO Box *City* *State* *Zip Code*

NAME OF BILLING CONTACT _____

TELEPHONE () _____ FAX () _____

5. TYPE OF BUSINESS _____
- HOW LONG _____

6. NAME OF ENERGY MANAGEMENT CONTACT _____ E-mail Address _____

TELEPHONE () _____ FAX () _____

7. NAME OF PREVIOUS/OTHER ELECTRIC SERVICE PROVIDER (Company, City, State)

APPROVED: 06/26/00

EFFECTIVE: 08/01/00

Security/Street Light Service

Availability

Security/Street Light Service is available to Members, municipalities and governmental authorities in accordance with the Cooperative's Service Rules and Regulations for pole mounted area security and street lighting near the Cooperative's electric distribution lines with existing transformers.

Type of Service

Single phase service at the Cooperative's standard secondary distribution voltages.

MV = Mercury Vapor

MH = Metal Halide

HPS = High Pressure Sodium

X= Cobra Head assembly

Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	<u>Watt</u>	<u>KWh Per Month</u>	<u>Power Supply</u>	<u>Cust. Svcs.</u>	<u>Distrib.</u>	<u>Total</u>
Mercury Vapor	175	64	\$2.56	\$0.23	\$5.13	\$7.92
	400	146	\$5.84	\$0.23	\$7.80	\$13.87
HPS	70	26	\$1.04	\$0.23	\$6.46	\$7.73
	100	36	\$1.44	\$0.23	\$6.46	\$8.13
	250	91	\$3.64	\$0.23	\$7.80	\$11.67
	1000	365	\$14.60	\$0.23	\$24.77	\$39.60
HPSX	70	26	\$1.04	\$0.23	\$9.27	\$10.54
	100	36	\$1.44	\$0.23	\$9.27	\$10.94
	150	55	\$2.20	\$0.23	\$9.27	\$11.70
	250	91	\$3.64	\$0.23	\$10.27	\$14.14
MH/HPS	400	146	\$5.84	\$0.23	\$19.78	\$25.85
MH	1000	365	\$14.60	\$0.23	\$24.77	\$39.60
Metered	1000		\$0.00	\$0.23	\$24.77	\$25.00
Add'l Pole Chg.					\$3.00	\$3.00

For non-standard items, such as decorative poles, member may be required to contribute the difference in aid to construction or sign a contract to amortize additional costs based on a 120-month schedule.

Conditions of Service

All security lighting equipment shall be owned, maintained, and operated by the Cooperative. Replacement of lamps shall be made during normal working hours.

The Cooperative reserves the right to discontinue any light where excessive lamp and fixture replacements are required due to vandalism or shooting by firearms.

SECTION: FORMS

The Cooperative will, upon the request of the Member, relocate the facility, provided the Member has paid in advance costs the Cooperative had determined it would incur in relocating this facility.

The Member shall grant the Cooperative all permits, franchises, or authority including a free and continuous right of way, necessary to construct and operate the system in any manner; the Cooperative shall have the right to remove from the roads, streets or property of the Member any equipment which the Cooperative may have installed to provide the service.

This agreement shall become effective on the date service is first rendered by the Cooperative to the Member hereunder, and shall remain in effect for a period of one (1) year and thereafter until one (1) month after written notice shall be given by either party to the other of its desire to terminate this agreement.

Billing Adjustments

The monthly rate is subject to all applicable billing adjustments. Billing adjustments each period shall be based on the estimated kWh usage derived from total hours of darkness obtained from Nautical Almanac Office, U.S. Naval Observatory (monthly "average" shown for reference).

Power Cost Recovery Factor (PCRF)– the monthly charges shall be increased by an amount equal to the power cost recovery factor times the number of kWh used in accordance with the approved Tariff.

Terms of Payment

Each bill for utility service, regardless of the nature of the service, is due sixteen (16) days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. In the event payment is not made within sixteen (16) days after date of bill, the member's account will be considered delinquent and, after 10 days, subject to disconnection in accordance with NEC's approved Tariff.

Date	Applicant's Name	
	Mailing Address	
Map No. _____	Applicant's Signature	

APPROVED: 06/26/00
EFFECTIVE: 06/01/01

SECTION: FORMS

Grantor agrees that all poles, wires, cables, circuits, appurtenances, facilities, appliances and equipment installed upon the easement property shall at all times remain the property of the Cooperative and is removable at the option of the Cooperative.

This instrument, and the terms and conditions contained herein, shall inure to the benefit of and be binding upon the Cooperative and grantor, and their respective heirs, personal representatives, successors, and assigns.

Grantor further covenants that Grantor, his heirs, successors and assigns shall facilitate and assist Cooperative personnel in exercising their rights and privileges herein described at all reasonable times. Grantor further covenants that Grantor, his/her heirs, successors and assigns shall refrain from constructing appurtenances, building, etc., and storing equipment, materials or any objects, or operating any machinery or conducting any activity in or around the easement that compromises safety or in any way violates the current National Electric Safety Code clearances. Grantor shall not construct or locate on the easement property any structure, obstruction or improvement which will interfere with the Cooperative's use of the easement. The Cooperative shall have the right to remove from the easement property any structure, improvement, or obstruction and Grantor agrees to pay the Cooperative the reasonable cost of such removal and this agreement shall be a covenant running with the land for the benefit of the Cooperative.

Date: _____

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, _____.

Notary Public
State of Texas

After recording, return this document to:

Nueces Electric Cooperative, Inc.
P.O. Box 1032
Robstown, TX 78380-1032

APPROVED: 07/23/01
EFFECTIVE: 07/23/01

EXHIBIT A – LEGAL DESCRIPTION