

<p style="text-align: center;">UNITED COOPERATIVE SERVICES</p> <p style="text-align: center;">Tariff for Electric Service</p>	<p>Section III</p>	<p>Sheet No. 1</p>
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301. Application for Electric Service.

301.1 Application Required.

Any Person or Firm desiring to receive electric service from the Cooperative shall apply for such service by contacting the Cooperative at any office of the Cooperative and providing to Cooperative applicable requested data in complete and accurate form. As referenced in Article I, Section 1.03 of the bylaws of the Cooperative, unless the Cooperative determines otherwise, each person, upon completion of the Cooperative's Membership Application Procedure to the Cooperative's satisfaction and using, receiving, or purchasing any Cooperative Service shall, unless the Board of the Cooperative determines otherwise, automatically become a member of the Cooperative, effective the date the applicant began using, receiving, or purchasing any Cooperative Service. Applicant will be notified by the Cooperative in writing of the Cooperative's action on the applicant's application for membership in the Cooperative. Membership in the Cooperative is a requirement and pre-condition to a person continuing to use, receive, or purchase any services of the Cooperative. A separate Electric Service Agreement is required for each location where delivery of electric energy is desired, whether for initiation, renewal of service or otherwise.

The application must be in the true and legal name of the Person or Firm desiring to receive electric service. The Cooperative may require suitable identification and such other information as may be reasonably necessary to evaluate the application.

301.2 Membership in the Cooperative.

Consistent with Article I, Section 1.02 of the Bylaws of the Cooperative, a Person or Firm seeking to become a member of the Cooperative must, prior to using, receiving or purchasing any Cooperative service, complete and submit to Cooperative (individually or by providing to the Cooperative information required by the Cooperative for the completion of such application form by Cooperative personnel as to applicant) a written application for membership on a form provided by the Cooperative for that purpose, agreeing to provide proper and complete identification and comply with all (i) Applicable Law, (ii) Cooperative Governance Documents, (iii) Cooperative Agreements. Application for membership by any Person or Firm shall automatically include the agreement by applicant to the terms and conditions of the application for membership and Electric Service Agreement required by the Cooperative, without further action by the applicant. Each applicant, upon making application to the Cooperative for membership, agrees to pay the Cooperative (i) for all services of the Cooperative used, received, or purchased by the member or at, or for, any dwelling or structure owned, controlled, or directly occupied by the member at prices, rates, or amounts determined by the Board, and in a manner specified by the Cooperative; (ii) all dues, assessments, fees, deposits, contributions, or other amounts required by this tariff or by Applicable Law; and (iii) any outstanding amounts owed the Cooperative by the applicant. Each applicant agrees further to complete any additional or supplemental document or contract required by the Cooperative for services which the applicant is seeking to use, receive, or purchase.

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By providing phone numbers to the Cooperative, each applicant and each member also (i) consents to receive phone calls from the Cooperative, including automated phone calls, on the phone numbers the applicant or member provides, (ii) confirms to the Cooperative that the phone numbers applicant or member provides belong to the applicant or member providing such phone number and not to third party, and (iii) that if a phone number changes from the number provided to the Cooperative, the providing applicant or member agrees to promptly notify the Cooperative of such fact and of the applicant's or member's new phone number.

The submission to the Cooperative by the applicant of an application for membership shall, as may be required by the Cooperative, be accompanied by the payment of one (1) membership fee, in the amount then required by the Cooperative, not to exceed \$25.00.

301.3 Offer to Purchase Electric Service.

Upon compliance with the provisions of Section 301.1 and 301.2, applicant has made an offer to purchase electric energy from the Cooperative, the terms of which are contained in the Electric Service Agreement, these tariffs, the Cooperative's Articles, Bylaws and other Governance Documents, and any applicable easements.

302. Establishment of Credit.

At any time before applicant's offer to purchase electric service is agreed to by the Cooperative, 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 applicant from complying with tariff provisions for prompt payment of bills. Notwithstanding any provision of these rules to the contrary, the following rules shall apply to the establishment of credit.

302.1 Establishment of Credit for Electrical Service Applicants.

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

A. Credit History.

If the applicant for electric service poses no credit risk beyond that considered acceptable by Cooperative, at its sole discretion, upon consideration of credit risk assessments reported by cumulative data from qualified credit reporting agencies; OR

B. Payment History.

If it is undisputed that applicant has been a member of the Cooperative 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 two occasions in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; OR

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C. Guarantee.

If the applicant for electric service furnishes in writing a satisfactory guarantee to secure the payment of bills for electric service; OR

D. Senior Citizens.

If the applicant for residential service is sixty-five (65) years of age or older, does not have an outstanding account balance with the Cooperative, and poses no credit risk beyond that considered acceptable by Cooperative, at its sole discretion, upon consideration of credit risk assessments reported by cumulative data from qualified credit reporting agencies.

302.2 Security Deposit.

If the credit of an applicant for any type of service has not been established satisfactorily to the Cooperative, the applicant may be required to make a deposit. The deposit can be in the form of cash or, at the sole discretion of the Cooperative, contractual obligations (e.g. letter of credit) in lieu of a cash deposit, acceptable to Cooperative.

302.3 Amount of Deposit for Service.

The required deposit for service shall not exceed an amount equivalent to one-sixth (1/6) of the annual billings as estimated after discussion of usage history with the Cooperative's personnel.

302.4 Increase in Deposit Within First 12 Months of New Service.

During the first 12 months of new service, if actual usage is three times estimated usage (or three times average usage of most recent three bills) and current usage exceeds \$150, and 150% of the security held, a new deposit requirement may be calculated and an additional deposit may be required to be made within 10 days after issuance of written notice of termination and requested additional deposit, or, in lieu of additional deposit, the member may elect to pay the current usage within 10 days after issuance of written notice of termination and requested additional deposit.

302.5 Increase in Deposit for Commercial and Residential Member.

If actual billings of a commercial member 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. In lieu of additional deposit, the member may elect to pay the current bill by the due date of the bill, provided the member has not exercised this option in the previous 12 months.

If actual billings of a residential member 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 member may elect to pay the current bill by the due date of the bill, provided the member has not exercised this option in the previous 12 months.

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302.6 Temporary or Seasonal Service and for Weekend Residences.

The Cooperative may require an applicant for temporary service or seasonal 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 of such services.

302.7 Reestablishment of Credit.

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

303. Cooperative Action on the Application.

The Cooperative shall consider the offer to purchase electric service and act upon it within a reasonable time by either granting the application (conditionally, subject to these Service Rules and Regulations) or refusing service in accordance with this tariff.

303.1 Granting Application.

The Cooperative may grant an application by making electricity available at an applicant's service location and confirming to an applicant in writing that the application has been granted, or by having its authorized officer or employee execute on behalf of the Cooperative an Electric Service Agreement with applicant

303.2 Refusal of Service.

The Cooperative may refuse service if:

A. Credit.

Member or applicant has failed or refused to satisfactorily establish credit; OR

B. Fulfillment of Conditions Precedent.

If member or applicant has failed or refused within a reasonable time to fulfill any condition precedent to performance (see Section 304.2); OR

C. Indebtedness.

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

D. Membership.

If member or applicant has failed or refused to pay the membership fee or qualify for membership in the Cooperative in accordance with the provisions of law and the Articles and Bylaws of the Cooperative; OR

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E. Hazardous Condition.

If it has come to the Cooperative's attention that member's or applicant's installation or equipment is, in the Cooperative's sole discretion, hazardous or of such character that satisfactory service cannot be given; OR

F. False Name or Other Artifice.

Member or applicant uses an alias, trade name, business name, the name of a relative or another person or other artifice to avoid payment of electric service bills; OR

G. Intent to Deceive.

Member or applicant applies for service at a location where another member or applicant received or continues to receive electric service and the electric bill is unpaid, and the Cooperative, at its sole discretion, has found that a change in identity has been made in an attempt to avoid or evade payment of the billing for electric service.

H. Interference with Service.

If member or applicant violates any rule pertaining to the use of electric service (including the operation of nonstandard equipment or unauthorized attachments after notice required by Section 303.3 D.) in a manner which interferes with or is likely to cause interference with electric service to any member.

303.3 Insufficient Grounds for Refusal to Serve.

The following shall not constitute sufficient cause for refusal of service to a present member or applicant:

- A.** Delinquency in payment for service by a previous occupant of the premises to be served; or
- B.** Failure to pay for merchandise, or charges for non-utility service purchased from the Cooperative; or
- C.** Failure to pay a bill to correct previous underbilling due to misapplication of rates more than six months prior to the date of application; or
- D.** Violation of the Cooperative's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interferes with the service of others, or other services such as communication services unless the member or applicant has first been notified and been afforded reasonable opportunity to comply with the rules; or
- E.** Failure to pay a bill of another member as guarantor thereof, unless the guarantee was made in writing to the Cooperative as a condition precedent to service; or
- F.** Failure to pay the bill of another member at the same address except where the change of member or applicant identity is made to avoid or evade payment of a utility bill. A member or applicant may request a supervisory review if the Cooperative determines that the evasion has occurred and refuses to provide service.

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304. Contracts for Service.

Member or applicant requests for electric service of the character and type provided by Cooperative are granted within the limitations of the applicable rate schedule for electric service, the availability of Cooperative facilities, the characteristics of member's or applicant's electrical load and these Service Rules and Regulations.

Cooperative may require special contractual arrangements, which may include additional charges under this tariff, prior to Cooperative's providing electric service if the electric service requested by member or applicant is not available at the service location or is other than that which Cooperative usually provides.

The grant of an application shall operate as an acceptance of applicant's offer to purchase electric service pursuant to the terms of the contract as described in Section 304.1 of this Tariff. Any Customer taking electric service from Cooperative, in consideration of the Cooperative's supplying electric service and regardless whether or not such Customer has made application for such electric service, is bound by these Service Rules and Regulations and is liable to Cooperative for payment for such electric service under the applicable rate schedule.

304.1 Terms of Contract.

The terms of the contract are the provisions of the Electric Service Agreement, this tariff, any applicable easement, and the Articles and Bylaws of the Cooperative.

304.2 Conditions to be Fulfilled by Applicant or Member Prior to the Rendition of Service.

As conditions precedent to the performance or obligation to perform any part of the contract for electric service by the Cooperative or the provision of any electric service; member and applicant shall:

A. Comply with the Law.

Member and applicant warrant to the Cooperative that he or she has complied with all Federal, State, County, and Municipal regulations governing the service applied for and shall remain in compliance. The Cooperative does not undertake to determine if member or applicant is in compliance with the law and the provision of service shall not be construed as any indication of compliance; however, the Cooperative may require a copy of any approval required by law, ordinance or regulation prior to the provision of service; AND

B. Comply with Service Rules.

Applicant and member shall comply with the Service Rules and Regulations of the Cooperative governing the service applied for; AND

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C. Member's Installation.

Member and applicant warrant to the Cooperative that member's and applicant's installation is constructed in accordance with the applicable versions of the National Electric Code, National Electric Safety Code, American National Standards Institute, Cooperative policies and procedures, as well as ordinances of jurisdictional authorities and will be maintained in such manner as to conform to such standards. The Cooperative does not undertake to determine if member's or applicant's installation complies with such standards and the provision of service shall not be construed as any indication of compliance; however, should it come to the attention of the Cooperative that member's or applicant's installation does not conform to such standards, member and applicant, as applicable, may be required to conform prior to the provision of service or the Cooperative may discontinue service; AND

D. Easement.

Applicant and member shall grant or secure to the Cooperative at member's or applicant's expense an easement granting to the Cooperative the right to construct, operate, access, maintain, and furnish electric distribution facilities which the Cooperative considers necessary. The easement(s) will be in a form and content of which is satisfactory to the Cooperative. In the event the Applicant or member is not able to secure an easement acceptable to the Cooperative after reasonable attempts and the Cooperative acquires an easement, then member or applicant, as applicable, shall reimburse the Cooperative all costs of acquiring such easement; AND

E. Construction Costs.

Applicant and member shall fulfill all obligations for the payment of construction costs in the manner prescribed in service rules and regulations, including the Cooperative's line extension policy governing the electric infrastructure to be constructed.

304.3 Assignment of Contract.

The member and applicant shall not assign the Contract except by written consent of the Cooperative or in compliance with the Articles and Bylaws of the Cooperative. The Contract shall inure to the benefit of the Cooperative's assigns.

304.4 Modification by the Parties.

Contracts for electric service may be modified or terminated by the agreement of both the Cooperative and the member or applicant only if such agreement is made in writing and signed by both parties.

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305. Line Extension.

The Cooperative shall exercise prudent judgment in determining the conditions under which a specific line extension will be made and shall view each case individually, considering the following:

- 1) Cost to provide the service
- 2) Longevity of the load
- 3) Annual load factor
- 4) Possibility of other loads developing nearby or along the proposed line extension
- 5) Anticipated annual revenues
- 6) Compatibility with planned system improvements

With these factors, the Cooperative shall make a simplified rate-of-return study. The rate-of-return study is a method used to model the anticipated revenues and expenses related to the line extension for a new load.

Upon the result from the study, the Cooperative can determine whether a contribution in aid of construction is required. A member who requires an extension of the existing electric distribution system shall pay the estimated construction unit cost of that extension less any applicable construction allowance, as set forth in the Cooperative's most current line extension policy.

When the Cooperative is required to serve a load which is "short-term" (i.e., temporary service that is supplied for less than 12 months), the Cooperative shall be reimbursed for the estimated cost of building the required facilities, plus the cost of removing the facilities, less salvage.

Point of Delivery.

The Cooperative extends its electric facilities only to the Point of Delivery. Member and applicant shall install and be solely responsible for wiring of the installation and all service entrance wiring through the weatherhead and the meter base to member's or applicant's main disconnect switch or service center.

305.1 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 or applicant. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

305.2 Refund of Prepayments for Electric Service.

Payments necessary for construction of electric service facilities which will be used by the member are considered contributions in aid of construction and are generally not refundable. The Cooperative, under warranted conditions, at its sole discretion, may choose to refund either all or a portion of a member's contributions in aid of construction.

305.3 Deferred Payment Plan.

The Cooperative may, at its sole discretion, enter into a deferred payment plan with member for all or a portion of any amount required to be paid as aid to construction.

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305.4 Relocation or Upgrade of Facilities.

The Cooperative will relocate its facilities on member's premises at member's request provided member has (1) provided a satisfactory easement for the new facilities; (2) paid in advance an estimate of all costs for the removal of the old facilities, less salvage value, and all costs for the construction of new facilities. If the Cooperative determines it is necessary to move its facilities because member fails or refuses to allow the Cooperative access to Cooperative's facilities at any time then member may be billed the actual cost of relocation. If member requests or Cooperative determines an upgrade of facilities is reasonably necessary, the member may be required to pay an amount not to exceed the actual cost of all construction.

306. Meters.

306.1 Location and Installation of Meter.

Meters and service switches in conjunction with the meter shall be installed in accordance with the applicable versions of the National Electric Code, National Electric Safety Code, American National Standards Institute, Cooperative policies and procedures, as well as ordinances of jurisdictional authorities and will be readily accessible to the Cooperative for reading, testing and inspection, and where such activities will cause minimum interference and inconvenience to the member when reasonably practicable. Member shall provide, without cost to the Cooperative, and at a suitable and easily accessible location: (1) sufficient and proper space for installation of meters and other apparatus of the Cooperative, (2) meter rack where necessary, (3) meter loop that meets the current specifications of the Cooperative, (4) additional service switches when required (5) an adequate anchor for overhead service drops at the Cooperative's option, (6) proper grounding. The Cooperative may install the meter loop and charge the member the actual cost of installation. Where the meter location on the member's premises is changed at the request of the member, or due to alterations on member's premises, the member shall provide and have installed at his expense, all wiring and equipment necessary for relocating the meter.

306.2 Type of Meter and Ownership of Meter.

The Cooperative shall provide, install, own, and maintain all meters necessary for the measurement of electrical energy. Such meters shall be of a solid-state type which meets industry standards, however, special meters may be used for investigation, experimental purposes and/or purposes as provided for in Section 204.10 of this tariff.

306.3 Limitation of Service from Single Meter.

One permanent residence and one permanent residence only may be served from one meter. Mobile home parks, multi-family residences and similar type installations subject to submetering shall follow the requirements of Sections 321.3 and 321.4 of this Tariff and shall meet the requirements of PUCT Substantive Rules relating to submetering. No business shall be served by the same meter serving a residence, unless the residence and business are combined under a single roof.

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307. Point of Delivery.

The member and applicant shall designate the location he or she desires to receive electric energy and shall provide service entrance conductors and any receptacle needed for the receipt of electric energy.

The Point of Delivery of electric energy is the point where the member's or applicant's service entrance conductors are connected to the Cooperative's conductors. Such point shall be outside the member's or applicant's installation or structure(s) at a location which will facilitate connection in accordance with the National Electrical Safety Code and standard operating practices of the Cooperative.

308. Availability of Service.

Electric service is provided to qualified applicants in the Cooperative's certificated area who have satisfactorily established credit and fulfilled all conditions precedent. Normally, as a service objective, the Cooperative attempts to make service available within the following guidelines:

- A. Within seven (7) working days if no line extension or new facilities are required.
- B. Within ninety (90) days for permanent residential service requiring a line extension.
- C. Extensions to other member classes requiring line extensions may take longer than ninety (90) days.
- D. If a line extension is required and if facilities are not available, the Cooperative shall inform the member within 10 working days of receipt of the application, giving the member an estimated completion date.
- E. Any construction cost options such as rebates to the member, sharing of construction costs between the Cooperative and the member, or sharing of costs between the member and other applicants shall be explained to the member following assessment of necessary line work.

320. Electric Energy.

320.1 Delivery of Electric Energy.

If Applicant/member has satisfied all conditions and performed all obligations contained in the foregoing service rules, the Cooperative shall provide electric energy to member at the Point of Delivery. The Cooperative may limit the amount of electric energy furnished.

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320.2 Characteristics of Electric Energy.

A. Voltage.

The Cooperative adopts the following standard voltages for distribution:

Overhead Service:

Single Phase: 120/240, 240/480

Three Phase: 120/208 *, 120/240 *, 240/480 *, 277/480 *

*Note: Available for loads less than 500 KVA

Underground Service:

Single Phase: 120/240

Three Phase: 120/208, 277/480, 2400/4160

The Cooperative maintains its standard voltages within the variations permitted by the Public Utility Commission of Texas (PUCT) as specified in PUCT Substantive Rules. Member should obtain from the Cooperative the phase and voltage of the service available before committing to the purchase of motors or other equipment.

B. Frequency.

The Cooperative provides alternating current at a standard frequency of 60 cycles per second as defined in the PUCT Substantive Rules.

321. Method of Providing Service.

321.1 Overhead Service Drop.

Electric service is generally available to members throughout the Cooperative's service area from overhead distribution facilities. The Cooperative, however, may refuse to provide overhead service in any area where the Cooperative has or expects substantial investment in underground distribution facilities. To receive overhead service member must install a suitable bracket for attachment of Cooperative conductors in compliance with the National Electrical Safety Code.

321.2 Underground Electric Service.

Electric service from underground distribution facilities is available to members requesting such service. The member may be required by Cooperative to pay an amount based on the cost difference, if any, between overhead and underground electric service as estimated in accordance with the Cooperative's Line Extension policy. In areas served by the Cooperative's underground distribution system phase and voltage of electric service may be limited to that which can be provided from existing facilities. Underground conductors are usually connected to the Cooperative's overhead distribution facilities at a location outside the member's premises or at a suitable location on member's premises. The location and routing of underground distribution facilities is determined by the Cooperative. Before the

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installation of underground distribution facilities, member will complete rough site grading, establish final grade along conductor route, identify and mark or expose to view any member-owned installations including gas lines, water lines, wastewater lines, communication lines, etc., and clear the area of all obstructions. No change shall be made in the grade along the conductor route without the consent of the Cooperative. Any change in grade which requires lowering electrical conductors is at the expense of the member.

321.3 Mobile Home Parks.

In mobile home parks and similar installations the Cooperative provides electric service either through: (1) individual meters to each space for each consuming facility, or (2) through a single master meter serving multiple locations/spaces. Under option (2), the Cooperative is not responsible for submetering individual facilities. Resell of electric energy must be in accordance with the requirements of PUCT Substantive Rules relating to submetering. Either underground or overhead service may be provided.

321.4 Multi-Family Residences.

Electric service is provided through (1) individual meters for each living unit or (2) through one master meter at each Point of Delivery providing electric service for any number of living units. If option (2) is chosen, the Cooperative is not responsible for submetering individual facilities. Resell of electric energy must be in accordance with the requirements of PUCT Substantive Rules relating to submetering.

321.5 Connections at Point of Delivery.

The Cooperative makes connections of its conductors to member's conductors only at the Point of Delivery.

322. Continuity of Electric Service.

322.1 Reasonable Diligence.

The Cooperative uses reasonable diligence under standard utility practices to provide continuous and adequate service in accordance with the standards set forth in these rules.

322.2 Service Interruptions.

Service interruptions may occur. Member is responsible for installing and maintaining protective devices as are recommended or required by the most current edition of the National Electrical Code and other such devices as are necessary or advisable to protect member's equipment or process during irregular or interrupted service including, but not limited to, voltage and wave form irregularities, or the failure of part or all of the electrical service. When interruptions do occur the Cooperative shall re-establish service as soon as practicable.

The Cooperative may interrupt service to provide necessary civil defense or other emergency service in the event of a national emergency or local disaster. The Cooperative may also interrupt service as necessary for maintenance, repairs, construction, moving of buildings or oversized objects, relocation or changes of facilities, to prevent or alleviate an emergency which may disrupt operation of all or any portion of the Cooperative's system, to lessen or remove risk of harm to life or property, to aid in the

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restoration of electric service, and on occasions when the Cooperative's wholesale power suppliers, or any of them, fails to deliver sufficient power and/or energy to the Cooperative, or as required by the Electric Reliability Council of Texas for emergency purposes.

322.3 Service Irregularities.

Irregularities in service such as voltage surges may occur. Member is responsible for installing and maintaining devices which protect his/her installation, equipment, and processes during periods of abnormal service conditions.

322.4 Investigation of Service Interruptions and Irregularities.

The Cooperative makes reasonable investigation of service interruptions and irregularities reported by a member. Such investigation normally terminates at the Point of Delivery. If standard service voltage exists at this point and the Cooperative's service facilities are in good condition the member shall be so advised. The Cooperative shall not be obligated to inspect member's conductors, installation, or equipment.

322.5 Liability/Indemnity.

Cooperative is responsible for design, construction, operation, and maintenance of electric service facilities up to and including the Point of Delivery. Customer is responsible for design, construction, operation, and maintenance of Customer's installation beyond the Point of Delivery and has sole control and supervision over Customer's installation. **IT IS PARTICULARLY UNDERSTOOD THAT THE CUSTOMER ASSUMES FULL RESPONSIBILITY FOR ELECTRIC ENERGY FURNISHED TO CUSTOMER AT AND PAST THE POINT OF DELIVERY CUSTOMER DOES AGREE TO AND SHALL INDEMNIFY THE COOPERATIVE, ITS EMPLOYEES, AND ITS AGENTS AGAINST AND HOLD THE COOPERATIVE, ITS EMPLOYEES, AND ITS AGENTS HARMLESS FROM ALL CLAIMS FOR DAMAGES INCLUDING BUT NOT LIMITED TO INJURIES TO ANY PERSONS, INCLUDING DEATH RESULTING THEREFROM, AND DAMAGES TO PROPERTY OCCURRING UPON THE PREMISES OF THE CUSTOMER ARISING DIRECTLY OR INDIRECTLY FROM ELECTRIC POWER AND ENERGY DELIVERED BY COOPERATIVE AND/OR RELATED SERVICES PROVIDED BY THE COOPERATIVE WHETHER OR NOT CAUSED BY THE NEGLIGENCE OF THE COOPERATIVE, ITS EMPLOYEES OR ITS AGENTS EXCEPT WHEN THE NEGLIGENCE OF COOPERATIVE, ITS EMPLOYEES OR ITS AGENT(S) WAS THE SOLE PROXIMATE CAUSE OF SUCH INJURIES, DEATH OF PERSONS OR DAMAGES TO PROPERTY.**

EXCEPT WHEN INJURIES OR DAMAGE HAVE BEEN CAUSED SOLELY BY THE COOPERATIVE'S NEGLIGENCE AND EXCEPT TO THE EXTENT INJURIES OR DAMAGE HAVE BEEN CAUSED BY THE COOPERATIVE'S GROSS NEGLIGENCE OR THE COOPERATIVE'S WILLFUL MISCONDUCT AS PROVIDED IN THIS SECTION, IT IS THE EXPRESS INTENTION OF CUSTOMER, AND CUSTOMER DOES AGREE TO INDEMNIFY THE COOPERATIVE, ITS EMPLOYEES, AND ITS AGENTS FOR THE CONSEQUENCES OF THE COOPERATIVE'S OWN NEGLIGENCE, INCLUDING THE NEGLIGENCE OF THE COOPERATIVE'S

EMPLOYEES AND AGENTS. Without limiting the foregoing, Cooperative (including its employees and agents) is not and shall not be liable for damages occasioned by: (A) irregularities or interruptions (of any duration), or failure to commence electric service, caused in whole or in part by (1) federal, state,

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municipal or other governmental or regulatory action or authority, litigation, public enemies, terrorism, civil disturbance, strikes or other labor disturbances, sabotage, war, national emergency, equipment or material shortages, breakdown or accident to machinery or equipment, acts of God (including weather and its resulting consequences and earthquakes and their resulting consequences), (2) an order of any Court or Judge granted in any adverse legal proceeding or action or any order of any commission or tribunal having jurisdiction affecting the premises, (3) situations or conditions described in the second paragraph of Section 322.2 of these Service Rules, (4) the absence, inadequacy or failure of protective devices which are the responsibility of the Customer, (5) inadequacy or failure of generation or transmission facilities, or (6) any other act or thing reasonably beyond the control of Cooperative or as may be authorized elsewhere in this Tariff For Electric Service; or (B) any interruption of service not occasioned by situations or conditions described in (A) above that has not existed continuously for beyond a reasonable period of time after notice to Cooperative, which reasonable period shall under no circumstances be less than twenty-four (24) hours or any interruption of service of greater than a reasonable duration if the Cooperative has used reasonable diligence in attempts to restore electric service after the Cooperative is notified of such interruption.

COOPERATIVE (INCLUDING ITS EMPLOYEES AND AGENTS) MAY PERFORM VOLUNTARY OR EMERGENCY ACTS TO ELECTRIC FACILITIES THAT ARE THE RESPONSIBILITY OF THE CUSTOMER BUT SHALL HAVE NO LIABILITY FOR DAMAGES OR INJURIES RESULTING FROM SAID ACTS EXCEPT TO THE EXTENT THAT SAID DAMAGES OR INJURIES ARE PROXIMATELY CAUSED BY ACTS OR OMISSIONS OF THE COOPERATIVE WHICH ARE FOUND TO BE WANTON OR WILLFUL WITH THE INTENT TO CAUSE INJURY.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL COOPERATIVE (OR ITS EMPLOYEES OR AGENTS) BE LIABLE TO CUSTOMER OR ANY OTHER FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF PRODUCTION CAPACITY, LOSS OF THE USE OF EQUIPMENT, LOSS OF ELECTRONIC DATA OR PROGRAM, COST OF CAPITAL, AND COST OF TEMPORARY OR REPLACEMENT EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART, IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER CAUSE OF ACTION OR THEORY OF RECOVERY, AND CUSTOMER EXPRESSLY RELEASES COOPERATIVE AND ITS EMPLOYEES AND AGENTS FROM ANY SUCH LIABILITY.

Disclaimer of Warranties.

COOPERATIVE MAKES NO WARRANTIES WHATSOEVER WITH REGARD TO THE PROVISION OF ELECTRIC SERVICE, EXPRESS OR IMPLIED AND DISCLAIMS ANY AND ALL WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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323. Member's Receipt and Use of Electric Energy.

323.1 Receipt of Electric Energy.

A. Exclusive Use.

When electric service is available, member shall purchase from the Cooperative all electric energy and service required to be used by member from a single consuming installation.

Member may not connect his lines to another source of electric energy in a manner that may permit electric energy to flow into Cooperative's system from such source without a written agreement with the Cooperative. For experimental purposes and to aid in the orderly development of additional sources of energy, and in conjunction with providing service under any rate in its tariff, Cooperative may permit non-fossil, member-produced electric energy to be fed back into Cooperative's system, provided that member has paid for the necessary added metering and protective equipment and provided that the member has complied with the provisions of Section 340.

B. Member's Installation.

Member shall at all times maintain his/her installation in accordance with the National Electrical Code as well as other applicable standards that may be imposed by law, ordinance or regulation.

C. Liability for Injury and Damages.

CUSTOMER ASSUMES FULL RESPONSIBILITY FOR ELECTRIC ENERGY FURNISHED TO CUSTOMER AT AND PAST THE POINT OF DELIVERY AND WILL INDEMNIFY THE COOPERATIVE AGAINST AND HOLD THE COOPERATIVE HARMLESS FROM ALL CLAIMS FOR DAMAGES INCLUDING BUT NOT LIMITED TO INJURIES TO PERSONS, INCLUDING DEATH RESULTING THEREFROM, AND DAMAGES TO PROPERTY OCCURRING UPON THE PREMISES OF THE CUSTOMER ARISING FROM ELECTRIC POWER AND ENERGY DELIVERED BY COOPERATIVE (AND/OR RELATED SERVICES PROVIDED BY THE COOPERATIVE) WHETHER OR NOT CAUSED IN PART BY THE NEGLIGENCE OF THE COOPERATIVE except (i) when the

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

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NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL COOPERATIVE (OR ITS EMPLOYEES OR AGENTS BE LIABLE TO CUSTOMER OR ANY OTHER FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF PRODUCTION CAPACITY, LOSS OF THE USE OF EQUIPMENT, LOSS OF ELECTRONIC DATA OR PROGRAM, COST OF CAPITAL, AND COST OF TEMPORARY OR REPLACEMENT EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART, IN CONTRACT OR IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER CAUSE OF ACTION OR THEORY OF RECOVERY, AND CUSTOMER EXPRESSLY RELEASES COOPERATIVE AND ITS EMPLOYEES AND AGENTS FROM ANY SUCH LIABILITY.

323.2 Members Use of ElectricEnergy.

A. Permitted Uses.

Electric energy provided through Cooperative facilities shall be used by member exclusively for the purpose or purposes specified in the availability clause of the rate schedule under which member is receiving service and being billed.

B. Resale Prohibited.

Member shall not resell electric energy unless specifically allowed by Cooperative for submetering purposes. Provided however, resell of electric energy must be in accordance with the requirements of PUCT Substantive Rules relating to submetering.

C. Interstate Transmission of Electric Energy Prohibited.

The Cooperative does not provide electric service to any member's installation any part of which is located outside the State of Texas or is connected to any conductors, all or part of which is located outside the State of Texas. Member shall not transmit electric energy provided by the Cooperative outside the State of Texas.

D. Uses Prohibited by Law.

Member shall not use electric energy for any unlawful purpose or in such a manner that it may endanger life or property.

323.3 Member's Electrical Load.

A. Load Balance.

Cooperative requires member to control the use of electric energy so that Cooperative's electrical load at the Point of Delivery is reasonably balanced as determined by the Cooperative.

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B. Allowable Motor Starting Requirements.

Engineering studies shall be required before motors with high starting currents (as defined in the tables below) are installed on Cooperative lines. Motors may be started without engineering study if the locked rotor starting current does not exceed the limits in the table below:

<u>Nominal Nameplate Voltage</u>	<u>Phase</u>	<u>Maximum Locked Rotor Current*</u>
115-volts	Single phase	600 amperes
230-volts	Single phase	300 amperes
460-volts	Single phase	150 amperes
200-volts	Three phase	820 amperes
230-volts	Three phase	720 amperes
480-volts	Three phase	360 amperes

*Groups of motors starting simultaneously are classed as one motor.

Larger starting currents than above may be permitted where the Cooperative determines that motor startup will not negatively affect surrounding members. If the Cooperative determines that a member installs a motor exceeding the guidelines above without study and subsequent approval, and said motor is causing unreasonable disruption of service to other members, the Cooperative may require the member to adhere to motor starting restrictions specific to the situation. If required corrections are not implemented in a timely manner, the Cooperative, at its sole discretion, may disconnect electric service until required corrections are in place. Any motor starting devices designed to limit voltage flicker are to be of a type approved by Cooperative and are to be installed by the member at the member's expense.

C. Intermittent Electrical Loads.

Electric service to member's equipment whose use of electricity is intermittent and subject to extreme fluctuations, can be provided to such equipment as part of the service to member's entire facility or provided through a separate transformer dedicated solely to that equipment and served and metered as a separately billed account. Except for individual transformer type arc welders whose rated primary input current does not exceed 15 amperes at 120-volt operation or 30 amperes at 240-volt operation (38 amperes if member is served by a dedicated/isolated transformer), members contemplating the installation of such equipment are to make specific prior arrangements with Cooperative.

D. Equipment Necessary to Limit Adverse Effect.

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

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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.

E. Voltage and Wave Form Sensitive Equipment.

A member planning the installation of electrical 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 are responsible for providing and installing the necessary facilities to limit these adverse effects.

F. Change in Member's Electrical Load.

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

323.4 Power Factor.

If the power factor of member's load is less than 95%, Cooperative may require member to install appropriate equipment to maintain a power factor of 95%, or at Cooperative's option, to reimburse Cooperative for installing the necessary equipment.

323.5 Access.

Member will admit to member's premises at all reasonable hours personnel authorized by Cooperative to inspect, install, remove, replace, repair and maintain Cooperative's property; to read Cooperative's meters; and to perform other activities necessary to provide electric service, including tree trimming and tree removal where such trees in the opinion of Cooperative constitute a hazard to Cooperative personnel or facilities, or jeopardize the provision of continuous electric service. Refusal on the part of member to provide reasonable access for the above purposes may, at Cooperative's option, be sufficient cause for discontinuance of service. Alternatively, the Cooperative may move the metering location and other facilities and charge member the cost of relocating all facilities.

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

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

324. Billing.

The member shall be obligated to pay for the total amount of charges for electric service shown on the member's bill. Such charges shall be computed in accordance with the Cooperative's latest rate schedule or schedules applicable to the class or classes of service furnished to member and these rules.

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324.1 Determining Usage of Electric Energy.

Usage of electric energy (expressed as kWh) shall be determined by a meter reading. The meter reading is conclusive and establishes absolutely the amount of energy used unless it is shown by meter test that the meter was inoperative or inaccurate, in which case the meter reading shall be adjusted as provided in Section 324.4 of these rules. The meter reading shall not otherwise be adjusted. Electric energy usage is measured at the metering point regardless of whether or not it is the same as the Point of Delivery.

324.2 Meter Reading.

The Cooperative shall read meters on a monthly basis and shall render a monthly bill for electric service to each member based upon these readings. Unless specifically stated in the applicable rate schedule, all charges are based on a billing month. A billing month or billing period is the period between two consecutive meter reading dates and typically ranges from 28 to 33 days. The Cooperative may check the meter reading of any meter at anytime.

324.3 Estimated Billing.

Usage, as well as Demand, may be estimated by the Cooperative where there is good reason for doing so, such as inclement weather, inability to gain access, personnel shortage, etc., provided an actual meter reading is taken at least every three months.

324.4 Meter Test and Accuracy Adjustment.

Upon request of a member and if he or she desires in the member's presence or the presence of his or her authorized representative, the Cooperative shall make a test of the accuracy of member's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the member if he or she desires to observe the test. The test may be made at the Cooperative's office or at a test laboratory as determined by the Cooperative. Following completion of testing, the Cooperative shall promptly advise the member of the date of removal of the meter, if removed, the date of the test, the result of the test, and the testing facility. (Refer to Section 324.9 for accuracy adjustments.)

324.5 Minimum Charges.

The member will pay a minimum bill in accordance with the applicable rate schedule or agreement for electric service, whichever is greater. The minimum charge shall be in addition to any power cost adjustment charges or other billing adjustments. All billing adjustments shall be billed in addition to and exclusive of the minimum charge.

The minimum charge may be increased in accordance with the Cooperative's line extension policy for new construction. In this case, the amount of such increase will be stated in the Agreement for Electric Service.

324.6 Terms of Payment.

Each bill for utility service(s), regardless of the nature of the service(s), is due 16 days after issuance. The postmark, if any, on the envelope of the bill, or an issuance date on the bill, if there is no postmark on the envelope, shall constitute proof of the date of issuance. If full payment is not received in the

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office of the Cooperative or at any agency authorized by the Cooperative to receive payment on or before the date such bill is due, the member's account will be considered delinquent and subject to disconnection in accordance with these rules.

Bills for electric service shall be considered as delivered to the member when mailed by first class mail or forwarded by electronic mail if member has elected paperless billing. If the member fails to receive a bill, the Cooperative will issue a duplicate upon request. However, failure to receive a bill in no way exempts a member from payment of services rendered.

324.7 Disputed Bills.

In the event of a dispute between a member and the Cooperative regarding any bill for electric utility service, the Cooperative shall make such investigation as may be appropriate under the particular circumstances, and report the results thereof to the member. In the event disputes are not resolved, the Cooperative informs members of the complaint procedures of the Cooperative.

Members shall not be required to pay the disputed portion of the bill which exceeds member's average monthly usage at current rates pending the resolution of the dispute, but in no event more than sixty (60) days. For purposes of this rule only, the member's average monthly usage at current rates shall be the average of the member'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 members and under similar conditions.

324.8 Deferred Payment Plan.

Separate and aside from other pay arrangements, the Cooperative may in its discretion enter into a deferred payment plan for any amount owed to the Cooperative or any portion thereof.

- A. The Cooperative may offer, upon request, a deferred payment plan to any residential member who has expressed an inability to pay all or a portion of his or her bill and if that member has demonstrated to the satisfaction of Cooperative a good faith ability to pay all of his/her bill by a deferred payment plan. The deferred payment offer is contingent, at the Cooperative's sole discretion, upon the member having received no more than two termination notices at any time during the preceding 12 months. In all other cases, the Cooperative is encouraged to offer a deferred payment plan to residential members.

- B. Every deferred payment plan entered into due to the 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.

- C. The Cooperative is not required to enter into a deferred payment agreement with any member who is lacking sufficient credit or a satisfactory history of payment for previous service when that member has had service from the present Cooperative for no more than three months. In cases of meter tampering, bypass, or diversion, a Cooperative may, but is not required to, offer a member a deferred payment plan.

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- D. A deferred payment plan may include a five percent (5%) penalty for late payment but shall not include a finance charge.
- E. If a member has not fulfilled terms of a deferred payment agreement, the Cooperative shall have the right to disconnect service pursuant to the disconnection rules herein and under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

324.9 Billing Adjustment Due to Meter Error.

If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Inc., proper correction shall be made of previous readings for the period of six months immediately preceding the removal of such meter from service for the test, or from the time the meter was in service since last tested, but not exceeding six months, 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 most recently served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, the cooperative shall make a charge for units used, but not metered, for a period not to exceed three months, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

If a meter is found to accurately register usage, but failed to communicate the metered usage to the Cooperative for any billing period, the Cooperative shall, at its discretion, invoice the member for all usage registered by the meter during the billing period(s).

324.10 Cancellation of Agreement.

If member terminates service without proper notice or prior to the end of the contract term or Cooperative terminates service due to a default or breach by member, in addition to the amount then due Cooperative, there immediately becomes due and payable to Cooperative as liquidated damages and not as a penalty a further sum equal to the minimum amount specified in the applicable rate schedules or guaranteed in the Electric Service Agreement for the unexpired term of the Electric Service Agreement, whichever is greater.

324.11 Average Payment Plan.

Average payment billing is available to Cooperative members upon the following terms and conditions:

A. Mutual Agreement.

Average payment billing is optional to the member but subject to the Cooperative's approval in each case. Average payment billing allows the member to know in advance (subject to certain limitations) the approximate amount he or she will be required to pay each month for electric utility service based upon average billing in the past 12 months. Average payment billing may not be used to defer payment of a member's delinquent electric bills. Average payment billing may be advantageous to members who experience wide variations in their monthly electric billings.

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B. Member's Obligation.

Notwithstanding anything in section 324.09, a member entering into an average payment agreement with the Cooperative shall be obligated to pay for electric utility service the total amount of charges that would be applicable to the member in absence of any average billing plan or average billing agreement. The average payment does not relieve member of any obligation to pay based upon actual billing units (e.g., kWh metered to the member).

C. Average Payment - Monthly Billings Calculation.

If the Cooperative and the member mutually agree to an average payment billing option, the member's monthly charges shall be calculated by:

1. Averaging the then current month bill along with the preceding eleven months total amount billed (including any and all applicable fees).
2. If a prior balance exists at the time of monthly billing, one-twelfth (1/12) will be added or deducted to the average billing determined in section 1 above.

This amount is subject to adjustment as provided below.

The average billing amount may be reviewed quarterly and adjusted according to the previous year's usage. At the time of review, credit balances on the member's account may be carried forward or refunded. Any shortages shall be paid by the member when due in accordance with the Cooperative's standard billing practices.

D. Eligibility.

In order to be eligible for average payment billing, the member must meet the following requirements:

1. In the most recent 12 months, member must have occupied a permanent residential dwelling continuously connected to the Cooperative's electric system and have had a satisfactory payment history during such period;
2. All bills except the current bill for electric utility service, if not then due, must have been paid;
3. Member must pay a security deposit of not more than 1/6 of estimated annual billings if requested by the Cooperative;
4. Member may be required to sign and deliver to the Cooperative an average payment billing agreement.

E. Termination of Average Payment Billing.

Average payment billing may be discontinued at any time by either member or the Cooperative. If average payment billing is discontinued, any debit balance will become due and payable immediately. A credit balance will either be refunded or applied to future billings. At the time average payment billing is discontinued, the member will be placed on the regular method of billing.

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If a member fails to pay the amount of any average payment billing when due, the Cooperative may at its option terminate average payment billing and any debit balance will become due and payable.

325. Member Relations.

325.1 Available Information.

A. Facilities for Providing Electric Service.

The Cooperative maintains at each of its business offices and makes available to applicants and others entitled to the information a current set of maps, plans, and records showing the facilities available for service.

B. Cost of Providing Service.

Upon request for service by an applicant or for transfer of service by a member, the Cooperative informs the Applicant or member of the Cooperative's lowest priced alternatives available. The Cooperative shall provide this information beginning with the lowest priced alternative and giving full consideration to applicable equipment options and installation charges.

The Cooperative does not assume responsibility that member receives electric service under the most favorable rate schedule. If a change in member's load or installation occurs which would make member eligible for a more favorable rate schedule, it is member's responsibility to notify Cooperative in writing of such changes and request that a different rate schedule be applied. Cooperative is not required to bill member under the more favorable rate schedule until a written Agreement For Electric Service is in effect between member and Cooperative specifying the new rate schedule. When member selects a rate schedule, or changes its installation to be eligible for selection of new rate schedule, Cooperative is not required to make any refunds covering the difference between the charges under the rate schedule in effect and those under any other rate schedule which would be applicable to the same service.

C. Tariffs.

At each of its business offices, the Cooperative maintains and makes available for inspection a copy of its current tariffs including all rate schedules and rates relating to service. A copy of any applicable portion of the tariff will be provided upon request. Notice of the availability of such tariffs is posted in each business office in the same area where applications for service are received.

D. Meter Reading.

Upon request, the Cooperative advises its members of the method of reading meters.

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325.2 Member Complaints.

A. 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.

B. For a period of not less than two years, the Cooperative shall maintain a record of the date, nature and resolution of a member's complaint in the member's data files. Complaints with reference to rates or charges and complaints which require no remedial action by the Cooperative need not be recorded.

325.3 Refund of Deposit and Its Associated Interest During Service Period.

A. Refund of Interest.

If a member has been required to make a deposit, the Cooperative shall pay interest on such deposit at the rate set by the Commission annually for a calendar year. If a refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the utility retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit.

Payment of the interest to the member may be annually, or at the time the deposit is returned or credited to the member's account.

The deposit shall cease to draw interest on the date it is returned or credited to the member's account.

B. Refund of Deposit.

When the member has paid bills for service for twelve (12) consecutive residential billings or for twenty-four (24) consecutive commercial or industrial billings without having service disconnected for nonpayment of a bill and without having more than two occasions in which a bill was delinquent, and when the member is not delinquent in the payment of the current bills, the Cooperative shall promptly and automatically refund the deposit plus accrued interest (if any) to the member in the form of cash or credit to a member's bill, or void the guarantee. The deposit and interest (if any) may be retained if, (1) the member does not meet these refund criteria, or, (2) the Cooperative, at its sole discretion, determines that retention of the deposit is necessary due to the creditworthiness of the member as reflected in the most recent outcome of credit risk assessments reported by cumulative data from qualified credit reporting agencies.

Upon final termination of electric service, deposits shall be refunded to the member provided that all amounts due the Cooperative have been paid. The Cooperative may apply the deposit to the member's final bill for electric service rendered.

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350. Member Initiated Discontinuance of Service.

350.1 Member's Request.

Any member desiring to discontinue electric utility service from the Cooperative shall submit a specific request in person, by phone or electronic communication. The request must include verifiable identification of the member, the service location where discontinuance is desired, and the date service is requested to be discontinued. Such request shall be verified by the Cooperative and a record of such request will be maintained at the Cooperative for a reasonable period.

350.2 Disconnection.

Following receipt of member's request for discontinuance of service the Cooperative shall disconnect service. Where practicable disconnection is usually made on the date requested by the member, however, the Cooperative shall not be obligated to make disconnection earlier than the second full business day following receipt of member's request.

351. Cooperative Initiated Discontinuance.

351.1 Reasons for Discontinuance.

The Cooperative may discontinue service to a member under any of the following circumstances:

A. Nonpayment of a Bill.

If the member fails or refuses to pay a delinquent account for electric service (whether or not based upon estimated billing), or

B. Breach.

If member fails or refuses to perform any obligation under the terms of an Electric Service Agreement or a deferred payment agreement, or

C. Interference with Service.

If 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 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 member fails or refuses to make application for service in accordance with these rules in member's true name, or

E. Refusal of Access.

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

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F. Default on Guaranty Agreement.

If a member has signed a written Guaranty Agreement as a condition precedent to service 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, or

G. Backbilling.

If member fails or refuses to timely pay any billing authorized by these rules resulting from previous underbilling (whether caused by meter inaccuracy, failure to register, misapplication of rates for no more than six months prior to the current billing or otherwise). Correction of billings for meter inaccuracy shall be made for the period of six (6) months immediately preceding removal of the inaccurate meter from service for testing or from the time the meter was in service since last tested, but not exceeding six (6) months, or

H. Hazardous Condition.

When a hazardous condition exists in member's installation, equipment or at member's service location,

I. Failure to Comply with Deposit Arrangements, or

J. Service Connected Without Authority, or

K. Meter Tampering.

If Cooperative's meter which serves member has been tampered with or bypassed, the Cooperative may immediately disconnect service without notice. For purposes of this section, meter tampering, bypass, or diversion shall be defined as any unauthorized action to divert and/or tamper with an electric meter or equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter, objects attached to the meter to divert service or to bypass, insertion of objects into the meter, and other electrical and mechanical means of tampering with bypassing, or diverting electrical service or there has been a theft of electric service (Section 31.04 of the Penal Code of the State of Texas) or criminal mischief for having damaged or tampered with the Cooperative's property (Section 28.03 of the Penal Code of the State of Texas).

Any action designed to alter metering equipment to prevent accurate measurement of electric usage or receive the benefit of electric utility service without approval will be deemed as utility service diversion or tampering and will be presumed to be performed by, or at the direction of the member whose account is found to have benefitted from the diversion. Upon discovery of tampering or utility service diversion, the Cooperative will investigate suspected violations of utility regulations, immediately correct unsafe conditions found to be affecting Cooperative equipment and/or facilities, collect under billed energy usage and related fees, as well as, seek civil and/or criminal remedies as may be permitted by law.

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The Cooperative may charge for all labor, material and equipment necessary to repair or replace all equipment damaged due to meter tampering or bypassing or other service diversion, and other costs necessary to correct service diversion where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of such charges must be provided to the member. The Cooperative may also estimate and bill the member for electric service over the entire period of meter tampering, meter bypassing or service diversion.

The Cooperative reserves the right to terminate and refuse service to a member and/or location if electric service is disconnected pursuant to this Section.

351.2 Notice of Disconnection.

A. Proper Notice Prior to Disconnection for Nonpayment.

If a member fails or refuses to pay the Cooperative in accordance with the provisions of the Agreement For Electric Service, service rules, applicable rate schedule, deferred payment agreement, or guaranty agreement, then proper notice shall be given prior to disconnection. Proper notice shall consist of a separate mailing or hand delivery at least eight (8) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. Attached to or on the face of the termination notice or electric bill shall appear a statement notifying the member that if they are in need of assistance with the payment of their bill or ill and unable to pay their bill, they may be eligible for payment assistance or special payment programs such as deferred payment plans, disconnection moratoriums for the ill, or energy assistance programs, and contact the local office of the Cooperative for information on the available programs. If mailed, the cut-off day may not fall on a holiday or weekend, but shall fall on the next working day after the eighth day. Payment at a utility's authorized payment agency is considered payment to the utility. The Cooperative shall not issue late notices or disconnect notices to the member earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the utility's authorized payment agency.

B. Disconnection Without Notice.

1. Utility service may be disconnected without notice where a known dangerous condition exists for as long as the condition exists provided that such disconnection does not result in other dangerous or life-threatening conditions or where service is connected without authority by a person who has not made application for service or who has reconnected service without authority following termination of service for nonpayment or in instances of tampering with the Cooperative's meter or equipment, bypassing the same, or other instances of diversion as

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defined in Section 23.47 of the Commission's Substantive Rules (relating to Meters). Where reasonable, given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected.

2. Utility service may be disconnected without further notice (other than reasonable notice otherwise applicable to a delinquent account, and previously given) if the member provides payment for an account in delinquent status with a check and the check is returned to the Cooperative due to insufficient funds.

C. Disconnection After Reasonable Notice.

- (1) Electric service may be disconnected upon reasonable notice for:
 - a. nonpayment of a bill [Section 351.1A]
 - b. breach of an Electric Service Agreement [Section 351.1B];
 - c. violation of service rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment [Section 351.1C], if a reasonable attempt has been made to notify the member and the member is provided with a reasonable opportunity to remedy the situation.
 - d. failure to make application for service [Section 351.1D];
 - e. refusal of access [Section 351.1(E)];
 - f. default on guarantee agreement [Section 351.1F];
 - g. failure to pay a bill to correct previous underbilling [Section 351.1G];
- (2) Reasonable notice shall consist of a separate mailing or hand delivery at least eight (8) days prior to a stated date of disconnection with the words "termination notice" or similar language prominently displayed on the notice.

351.3 Postponement of Disconnection--Medical.

The Cooperative will not discontinue service to a delinquent residential member permanently residing in an individually metered dwelling unit when that member establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued.

Provided however, the member making such request shall enter into a deferred payment plan. Failure to comply with the agreed deferred payment plan will result in the service being subject to disconnection.

If a member seeks to avoid termination of service under this rule, the member must have the attending physician provide the Cooperative with a completed "Critical Care" form within 16 days of issuance of

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the bill (the term "physician" shall mean any public health official, including but not limited to medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, or any other similar public health official).

351.4 Effect of Discontinuance of Service.

A. Member's Obligations.

Discontinuance of service in any manner shall not relieve member from any obligations to the Cooperative as required in this Tariff for Electric Service or lessen or change any obligation in any manner, including but not limited to payment of electric service and any applicable fees accrued through the date of disconnection of service.

B. Cooperative's Rights.

Discontinuance 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 this tariff, 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 by member.

351.5 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. Alternatively, the Cooperative may abandon in place in whole or in part its underground lines and equipment in lieu of removing such facilities.

351.6 Liability for Discontinuance 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.

351.7 Refund of Membership Fee.

Within a reasonable time after discontinuance of service the Cooperative shall make reasonable efforts to refund Applicant's membership fee, if a fee was retained by the Cooperative at the time of application and if current Applicant is no longer required to maintain a membership.

351.8 Refund of Deposit.

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

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A transfer of service from one premise to another within the service area of the Cooperative shall not be deemed a disconnection within the meaning of Section 351.2, an additional deposit may be deemed necessary by the Cooperative upon review of the average usage at the new location.

351.9 Disconnection Prohibited.

Disconnection by the Cooperative is prohibited for the following reasons:

- A. Delinquency in payment for utility service by a previous occupant on the premises;
- B. Failure to pay for merchandise, or charges for nonutility service provided by the Cooperative;
- C. Failure to pay for a different type or class of utility service unless fee for such service is included on the same bill;
- D. Failure to pay the account of another member as guarantor thereof, unless the Cooperative has in writing the guarantee as a condition precedent to service;
- 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;
- F. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Commission's substantive rules (relating to Meters);
- G. Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter-reading plan, unless the Cooperative is unable to read the meter due to circumstances beyond its control.

Unless a dangerous condition exists, or unless the member requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Cooperative are not available to the public for the purpose of making collections and reconnecting service.