



PenTex Energy

TARIFF FOR ELECTRIC SERVICE

Effective Date
January 1, 2022

PenTex Energy
Tariff for Electric Service
Section Title:
UTILITY OPERATIONS
Applicable to all Areas

Effective Date:
January 1, 2022

Sheet No.
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SECTION I UTILITY OPERATIONS

101 Description of Electric Utility Operations.

101.1 Organization

PenTex Energy is an electric cooperative corporation organized in 1938 and operating under the Electric Cooperative Corporation Act (art. 1528b, V.A.C.S.), Senate Bill 7 (relating to electric utility restructuring), and the laws of the State of Texas and is owned by its member-owners. The Cooperative's business affairs are managed by a board of directors who are elected to the board from and by the Cooperative's member-owners in accordance with the provisions of the bylaws.

101.2 Type of Service

The Cooperative provides electric utility service through the operation of a retail electric distribution system.

101.3 Service Area

A. Certification

The Public Utility Commission of Texas authorized the Cooperative to provide electric utility service by the issuance of a Certificate of Convenience and Necessity.

B. Counties

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

Cooke	Grayson
Montague	Wise
Denton	

C. Cities

The service area of the Cooperative includes all or portions of the following incorporated municipalities, townships, and rural communities:

Muenster	Callisburg
Oak Ridge	Gainesville
Valley View	Whitesboro
Saint Jo	Nocona
Lindsay	Collinsville
Lake Kiowa	Mountain Springs
Forestburg	Sivells Bend
Walnut Bend	Roadrunner

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102 **Purpose and Scope of Tariffs**

These tariffs define the service relationship between the Cooperative and persons applying for electric services 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 between the Cooperative and the member-owner.

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 or otherwise specifically noted.

104 **Severability**

If any provision of this tariff is held invalid, such invalidity shall not affect other provisions or applications of this tariff 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.

105 **Modification of Tariffs**

This tariff may be changed, modified, or abrogated in whole by the Board of Directors of the Cooperative or in any part by any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Cooperative, a member-owner, or otherwise. Any changed tariff shall be applicable to service provided from and after the effective date of such change.

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.

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SECTION II RATE SCHEDULES

201 RATE CLASSIFICATION AND ASSIGNMENT

Rate classification and assignment shall be made by the Cooperative in accordance with the application and type of service provisions in its rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. If member-owner's request for electric service involves unusual circumstances, usage, or load characteristics not regularly encountered by the Cooperative, the Cooperative may assign a suitable rate classification or enter into a special contract.

A prospective applicant shall be informed 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.

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202 RATE SCHEDULES

202.1 (A) Residential

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

- A. For a single family or multi-family residential dwelling; or
- B. Individually metered apartments; or
- C. For domestic uses associated with a single family or multi-family residential dwelling (i.e., residential use water well, etc.); or
- D. For farming and/or ranching uses other than the following:
 - A. Dairy,
 - B. Loads requiring transformer capacity exceeding 15 kVA.

B. Type of Service

Single-Phase and Three-Phase service at the Cooperative's standard secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires &	Total
	Generation	Delivery		
Member-Owner Charge, per meter	\$0.00	\$0.00	\$35.00	\$35.00
With DG < 50 KW	\$0.00	\$0.00	\$45.00	\$45.00
With DG > 50 KW	\$0.00	\$0.00	\$69.00	\$69.00
Energy Charge, per kWh: DG kWh Reimbursement	\$0.07441	\$0.01130	\$0.02301 \$.051724	\$0.10872 \$.051724

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- A. Member-Owner Charge: This charge is for the availability of electric service. It does not include any energy; and
- B. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

- A. The member-owner Charge; and if applicable
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

202.1 (B) Residential-PenTex FlexPay Rate Rider

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

- A. For a single family or multi-family residential dwelling; or
- B. Individually metered apartments; or
- C. For domestic uses associated with a single family or multi-family residential dwelling (i.e., residential use water well, etc.): or

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D. For farming and/or ranching uses other than the following:

A. Dairy

B. Loads requiring transformer capacity exceeding 15KVA.

B. Type of Service

Single-Phase and Three-Phase service at the Cooperative's standard secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: 6-17-19

Member-Owner Charge

\$1.17/day

Energy Charge

\$.10872 per kWh

A. Member-Owner Charge: This charge is for the availability of electric service. It does not include any energy; and

B. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage daily.

Service Conditions Applicable to Residential-PenTex FlexPay Rate Rider Only.

D. Eligibility Exclusions:

A. Levelized Billing

B. Bank Draft Program

C. Payment Arrangements

D. Participation in Distributed Generation

E. Enrollment

To enroll in PenTex FlexPay, member-owners must complete and submit a PenTex FlexPay Enrollment Agreement. Member-owners must also have a membership application on file with PenTex Energy.

The Cooperative will allow enrollment in PenTex FlexPay if the member-owner meets the eligibility requirements including:

FlexPay member-owners must have the ability to receive alerts and reminders via text, email, the online customer portal or the PenTex mobile app.

The member-owner must pay all applicable fees including but not limited to:

A. Aid to Construction

B. \$25.00 Connect Fee (New Meters Only)

C. \$100.00 FlexPay account credit for future electric usage.

F. Billing, Payments and Information

Member-owner will no longer receive paper billing statements & disconnect notices

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- A.** Billing information, as well as payment and account information can be obtained at:
 - A. Cooperative Business Office during normal business hours
 - B. PenTex customer portal at www.pentex.com
 - C. PenTex mobile app
- B.** Residential PenTex FlexPay member owners will receive automated disconnect notification messages, etc. via email, text and/or push notification when a \$.00 or greater debit balance is reached.
- C.** Residential Service Member-owners enrolled in PenTex FlexPay who have a rental light will be charged the monthly lighting service charge prorated and billed as a daily charge.
- D.** PenTex Energy will immediately debit any returned checks and denied credit card payments, along with associated charges, to the account. Should this cause the FlexPay balance to be zero (\$.00) or less, the service will be disconnected. Member-owner will be required to replace the check or credit card payment with cash, a cashier's check or money order.
- E.** Upon notification of a pledge for energy assistance from an agency or charitable organization, the member-owner's FlexPay account will be credited. If the pledge is cancelled for any reason, the amount of the pledge will be charged back to the account. If this causes the account to reach zero (\$.00) or less, an alert will be sent and the service will be subject to disconnection.

G. Transfers and Optional Debt Recovery for Outstanding Balances

- A.** Accounts that are on existing Residential Postpaid Service may be converted to PenTex FlexPay upon request by the member-owner.
- B.** When an existing member-owner converts from Residential-Postpaid Service the existing deposit, if any, is applied toward any outstanding balance of the Residential-Postpaid Account with the remaining credit applied to PenTex FlexPay.
- C.** All postpaid fees and unbilled energy charges must be paid in full except for the provisions below:
 - A. When converting from a Residential Postpaid Account to PenTex FlexPay, there is a debt management feature available to recover amounts due from a prior Residential-Postpaid Account.
 - B. A minimum percentage of (40%) of each PenTex FlexPay payment, after the initial setup, will be applied to the debt management debt until fully retired.
 - C. Any fees/penalties that occur while on Residential-FlexPay service will be paid before any amount goes to debt management or the FlexPay account.
- D.** The member-owner may elect to convert from PenTex FlexPay back to standard Residential Service after two (2) billing periods. At which time, the Cooperative may require full payment of the deposit and any amount remaining in debt management to continue service. Member-owners who cancel their PenTex FlexPay service may not re-apply for a new Residential PenTex FlexPay account at the same location for two (2) billing periods.

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H. Terminating and Restoring PenTex FlexPay Electric Service

PenTex FlexPay meters are equipped to enable remote disconnection and remote reconnection of service.

- A. Member-owners requesting service termination will receive a refund of any remaining credit on the account after all final bill amounts have been paid.
- B. Electric service may be subject to immediate disconnection any time the account does not have a credit balance.
- C. Following a disconnect because the account does not have a credit balance, the Member-owner must pay any unpaid balance from the result of energy consumption from the time the account has reached a (\$.00) or less and when the Cooperative issued the disconnection command, plus establish a minimum \$50 credit balance to be applied for future purchases of electricity. In addition, any outstanding balances due, except for amounts included in the Debt Management Program, must be paid in full as well as a \$30 reconnect fee.
- D. If an account is disconnected because the account does not have a credit balance and does not become current after ten (10) days, the account will be considered closed and the Cooperative will mail a final bill to the last known address of the Member-owner on file for all unpaid charges.

I. Cooperative Service Rules and Regulations Not Applicable to PenTex FlexPay:

- 204.2 Delinquent Disconnect Charge
- 204.7 5% Delinquent Fee
- 204.8 After Hours Meter Reconnection
- 302 Cooperative Action on Application for Service: Provision of Electric Service:
 - A. Failure to establish satisfactory credit or required deposit
- 306.1 Residential Credit Requirement
- 307.1 Security Deposit
- 307.2 Additional Deposits at Reconnection
- 308.3 Non-Permanent Residential Extensions
- 311(D) Interest Paid on Security Extensions
- 311(E) 2% Discount for Drafting Payments
- 311(F)(1) Collection Procedures
- 313.1 (A)(C) Notice of Disconnection
- 313.2 Postponement of Disconnection-Medical
- 313.6 Refund of Deposit

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202.2 General Service

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

For all commercial purposes to member-owners whose peak demand during the current month and the preceding eleven (11) months was less than 15 kW.

For non-commercial loads excluded from the residential rate qualifications whose peak demand was less than 15kW.

B. Type of Service

Single- or three-phase service at the Cooperative's standard secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-Owner Charge, per meter:				
Single-Phase Service	\$0.00	\$0.00	\$40.00	\$40.00
With DG < 50KW	\$0.00	\$0.00	\$50.00	\$50.00
With DG > 50 KW	\$0.00	\$0.00	\$74.00	\$74.00
Three-Phase Service	\$0.00	\$0.00	\$75.00	\$75.00
With DG < 50 KW	\$0.00	\$0.00	\$85.00	\$85.00
With DG > 50 KW	\$0.00	\$0.00	\$109.00	\$109.00
Demand Charge, per Billing kW	\$2.56	\$1.80	\$2.39	\$6.75
Energy Charge, per kWh:	\$0.06111	\$0.00000	\$0.01757	\$0.07868
DG kWh Reimbursement			\$0.051724	\$0.051724

A. Member-Owner Charge: This charge is for the availability of electric service. It does not include any energy; and

B. Demand Charge: 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 current billing period as adjusted for power factor, but in no event is billing demand less than 3 kW; and

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C. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

D. Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

- A. The member-owner charge plus the demand charge; and if applicable.
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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202.3 Schools

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

Schools

Not applicable to temporary service.

B. Type of Service

Single- or three-phase service at the Cooperative's standard primary or secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-owner Charge, per Meter	\$0.00	\$0.00	\$35.00	\$35.00
With DG < 50 KW	\$0.00	\$0.00	\$45.00	\$45.00
With DG > 50 KW	\$0.00	\$0.00	\$69.00	\$69.00
Demand Charge per Billing kW:				
First 10 kW	\$0.00	\$0.00	\$0.00	\$0.00
Over 10 kW	\$4.00	\$0.75	\$1.50	\$6.25
Energy Charge, per kWh	\$0.06080	\$0.00000	\$0.03620	\$0.09700
DG kWh Reimbursement			\$0.051724	\$0.051724

- A. Member-owner Charge:** This charge is an availability charge for providing electric distribution service. It does not include any energy; and
- B. Demand Charge:** 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 current billing period as adjusted for power factor; and
- C. Energy Charge:** This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

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D. Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

- A. The Member-owner charge plus the demand charge; and if applicable
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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202.4 Public Buildings Service

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

Public Buildings.

Not applicable to temporary service.

B. Type of Service

Single- or three-phase service at the Cooperative's standard primary or secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-owner Charge, per Meter	\$0.00	\$0.00	\$17.50	\$17.50
With DG < 50 KW	\$0.00	\$0.00	\$27.50	\$27.50
With DG > 50 KW	\$0.00	\$0.00	\$51.50	\$51.50
Demand Charge per Billing kW:				
First 10 kW	\$0.00	\$0.00	\$1.00	\$1.00
Over 10 kW	\$3.59	\$0.25	\$0.00	\$3.84
Energy Charge, per kWh	\$0.06080	\$0.00000	\$0.03094	\$0.09174
DG kWh Reimbursement			\$0.051724	\$0.051724

- A. Member-owner Charge: This charge is an availability charge for providing electric distribution service. It does not include any energy; and
- B. Demand Charge: 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 current billing period as adjusted for power factor; and
- C. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

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D. Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

- A. The member-owner charge plus the demand charge; and if applicable
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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202.5 Churches

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

Churches.

Not applicable to temporary service.

B. Type of Service

Single- or three-phase service at the Cooperative's standard primary or secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-owner Charge, per Meter	\$0.00	\$0.00	\$15.00	\$15.00
With DG < 50 KW	\$0.00	\$0.00	\$25.00	\$25.00
With DG > 50 KW	\$0.00	\$0.00	\$49.00	\$49.00
Demand Charge per Billing kW:				
First 10 kW	\$0.00	\$0.00	\$1.00	\$1.00
Over 10 kW	\$4.00	\$0.75	\$0.00	\$4.75
Energy Charge, per kWh	\$0.07200	\$0.00000	\$0.01974	\$0.09174
DG kWh Reimbursement			\$0.051724	\$0.051724

A. Member-owner Charge: This charge is an availability charge for providing electric distribution service. It does not include any energy; and

B. Demand Charge: 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 current billing period as adjusted for power factor; and

C. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

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D. Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

A. The member-owner charge plus the demand charge; and if applicable

B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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202.6 Large Power

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

For all commercial and industrial purposes to member-owners whose peak demand during the current month or the preceding eleven (11) months was equal to or greater than 15 kW. No resale, standby, or auxiliary service permitted.

For non-commercial loads excluded from the residential rate qualifications whose peak demand was equal to or greater than 15 kW.

B. Type of Service

Single- and/or three-phase service at the Cooperative's standard primary or secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

Secondary Service	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-owner Charge, per meter	\$0.00	\$0.00	\$75.00	\$75.00
With DG < 50 KW	\$0.00	\$0.00	\$85.00	\$85.00
With DG > 50 KW	\$0.00	\$0.00	\$109.00	\$109.00
Demand Charge per Billing kW:	\$4.37	\$2.22	\$1.61	\$8.20
Energy Charge, per kWh	\$0.05894	\$0.00045	\$0.01663	\$0.07602
DG kWh Reimbursement			\$0.051724	\$0.051724

If Large Power Service is provided at primary distribution voltage, the monthly rate shall be as follows:

Primary Service	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-owner Charge, per meter	\$0.00	\$0.00	\$75.00	\$75.00
With DG < 50 KW	\$0.00	\$0.00	\$85.00	\$85.00
With DG > 50 KW	\$0.00	\$0.00	\$109.00	\$109.00
Demand Charge per Billing kW:	\$4.24	\$2.15	\$1.56	\$7.95
Energy Charge, per kWh	\$0.05776	\$0.00044	\$0.01630	\$0.07450
DG kWh Reimbursement			\$0.051724	\$0.051724

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- A. Member-owner Charge:** This charge is an availability charge for providing electric distribution service. It does not include any energy; and
- B. Demand Charge:** 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 current billing period as adjusted for power factor, but in no event is billing demand less than 15 kW; and
- C. Energy Charge:** This charge for the delivery of energy shall be applied to all kWh usage during each billing period.
- D. Payment:** Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.
- D. Minimum Charge**
- Each billing period the member-owner shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used.
- a. The member-owner charge plus the demand charge; and if applicable,
 - b. Any special contract arrangements.
- E. Billing Adjustments**
- This rate is subject to all billing adjustments.
- F. Agreement**
- If a line extension is required in order to provide service to a member-owner, the Cooperative may require an agreement for electric service.

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G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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202.7 Industrial Service

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

For all commercial and industrial purposes to member-owners with installed kVA capacity of 4500 kVA or greater. No resale, standby, or auxiliary service permitted.

B. Type of Service

Three-Phase Service at the Cooperative's standard primary and secondary voltages, where available; and distribution substation level service, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: June 29, 2018

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

- A. Member-owner Charge:** \$1,750.00 per meter
This charge is an availability charge for providing electric distribution service. and does not include any energy.

In no event shall the member-owner charge be less than \$1,750.00 or the amount specified in any contract with the member-owner. The member-owner charge does not include any energy; and

B. NCP Demand Charge:

Secondary Level Service: \$5.50 per kW of NCP Billing Demand
Primary Level Service: \$5.34per kW of NCP Billing Demand
Substation Level Service: \$1.60 per kW of NCP Billing Demand

This charge for the rate at which energy is used is applied to the maximum kilowatt demand for any period of fifteen (15) consecutive minutes during the current billing period as adjusted for power factor, but in no event is billing demand less than 100% of the highest adjusted NCP kW established in the previous 11 billing periods. In no event shall the billing demand be less than the amount specified in any contract with the member-owner; and

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C. Power Cost:

The cost of power to serve the member-owner including but not limited to capacity, delivery, ancillary, energy, fuel, and support charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the Wholesale rate to the Cooperative including any ratchet provisions in the wholesale rate. The member-owner's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the member-owner's power cost at the wholesale supplier's metering point to the Cooperative plus \$.001 per kWh. For those member-owner's with 10 MW and above load, the calculated power cost will have a \$.0004 per kWh added as long as the member-owner provides a bank letter of guaranty.

D. Minimum Charge

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

- A. The member-owner charge plus the demand charge plus any ratchet applicable power cost; and if applicable,
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement. The Cooperative may also require a contract with a fixed term.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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202.8 Yard Lighting Service (Rental Lights)

A. Application

Applicable to all member-owners taking the type of service described in this rate schedule for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose(s):

Pole mounted yard lighting near the Cooperative's electric distribution lines.

B. Type of Service

Single-Phase Service at the Cooperative's standard primary and secondary distribution voltages, where available. Where service of the type desired by the member-owner is not already available at the point of delivery, additional charges under the Cooperative's line extension policy and special contract arrangements may be required prior to service being furnished.

C. Monthly Rate-Effective Date: January 1, 2022

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

	KWh Per Month	Power Supply		Distribution Wires & Services	Total
		Generation	Delivery		
Rental Light	75	\$5.58	\$0.85	\$5.12	\$11.55
LED Light	75	\$1.86	\$0.28	\$9.41	\$11.55

New lights requiring underground service will pay a contribution in aid of construction for the additional cost of underground service. Member-owned yard light installation or repair will be quoted on an individual case-by-case basis.

D. Billing Adjustments

This rate is subject to all applicable billing adjustments based on days of service and energy used.

E. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

F. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

G. Rate Schedule Changes

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.

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202.9 Wind Farm – Standby and Auxiliary Service

A. Application.

Applicable to Wind Farms. 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.

B. Type of Service.

A. Transmission level service.

B. The Cooperative is purchasing power for service to member-owner from its wholesale power supplier and directly assigning the cost to the member-owner.

C. Monthly Rate-Effective Date: January 1, 2018

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

A. Basic Charge \$250.00 per meter

B. NCP Demand Charge: \$1.00 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 15 consecutive minutes during the billing period, as adjusted for power factor,

(b) The maximum NCP kW including applicable power factor adjustment established in the previous eleven (11) billing periods.

(c) The amount specified in the Electric Service Agreement between the member-owner and the Cooperative; and

(d) Power Supply and Wholesale Delivery: At Cost

The cost of power to serve the member-owner including but not limited to capacity, energy, fuel, delivery, and ancillary charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. The power cost will be calculated using the billing units defined in the same manner as defined in the applicable Wholesale rate to the Cooperative including any ratchet provisions in the wholesale rate. The member-owner's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to

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calculate the member-owner's power cost at the wholesale supplier's metering point to the Cooperative, plus \$.001 per kWh.

The member-owner shall be responsible for power supply and wholesale delivery associated with providing service to the member-owner even if such cost recovery should occur after the member-owner has terminated service.

C. Payment: Bills are past due if not paid within 16 days of issuance. However, 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.

D. **Minimum Charge.**

The minimum monthly charge shall be the greater of the amount as set forth in the applicable contract for electric service or the Basic Charge plus NCP Demand Charge.

E. **Power Factor Adjustment.**

Should member-owners lagging power factor at the time of the maximum demand during the month be determined to be below ninety-eight percent (98%), the member-owners maximum demand for billing purposes shall be adjusted by multiplying the maximum demand by .98 and dividing by the lagging power factor at the time of such maximum demand.

F. **Billing Adjustments.**

This rate is subject to all applicable billing adjustments.

G. **Agreement.**

An agreement for electric service with a fixed term may be required by the Cooperative for member-owners who require line extension to establish electric service.

H. **Rate Schedule Changes**

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.

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202.10 Wholesale Transmission Service at Distribution Voltage (WTS-DV)

A. Application.

The service provided pursuant to this tariff is transmission service, as defined in Public Utility Commission of Texas (Commission) Substantive Rules, Subchapter A, 25.5, using the Cooperative's facilities rated at less than 60 kilovolts. The Cooperative will make the service available in accordance with Commission Substantive Rules, Subchapter I, 25.191-25.198 and 25.199-25.203, within 20 days of receipts of a completed application for service as required under Commission Substantive Rules, Subchapter I, 25.198(b).

The 20-day deadline to provide service will not apply if adequate facilities are not in place at the time service is requested. 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 (CIAC) 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, Subchapter I, 25.191. All facilities altered or constructed by the Cooperative will remain the property of the Cooperative.

The terms and conditions for the service are those stated in Commission Substantive Rules, Subchapter I, 25.191-25.198 and 25.199-25.203.

Service under this tariff is wholesale wheeling service and is not available for retail service.

B. Type of Service.

The Cooperative will provide this service at one point of delivery and measured with one meter, using facilities rated at less than 60 kilovolts, at 60 hertz, and at the Cooperative's standard primary distribution voltages.

C. Definitions.

A. Wheeling kW is the greater of the following:

- A. The highest 15 minute kW recorded for all load placed by the Customer on the Cooperative's distribution system.
- B. The amount specified in the Service Agreement between the Cooperative and the customer.

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B. Peak Retail kW is the highest 15-minute kW recorded for any loads that may be served under retail rates by the Cooperative for Customer at the wheeling location under the same meter and not recorded by a separate register. This shall not be applied if all retail loads are separately metered or readings can be obtained from a separate register and billed under the Cooperative's standard retail tariffs.

C. Substation Level WTS-DV Service is wholesale electric service provided to an eligible customer from the Cooperative's distribution lines operated at voltages below 60 kV where the customer takes service within 600 feet of a substation serving the Cooperative.

D. Distribution Primary Level WTS-DV Service is wholesale electric service provided to an eligible customer from the Cooperative's distribution lines operated at voltages below 60 kV where the customer takes service beyond 600 feet of a substation serving the Cooperative and where the service is provided at distribution primary voltage.

E. Distribution Secondary Level WTS-DV Service is wholesale electric service provided to an eligible customer from the Cooperative's distribution lines operated at voltages below 60 kW where the customer takes service beyond 600 feet of a substation serving the Cooperative and where the service is provided at distribution secondary voltage.

D. Monthly Rate.

A. Customer Charge: \$75.00

B. Transmission Service Charge

Customer shall be billed one (1) of the following, depending on service level:

Substation Level WTS-DV Service with CIAC

\$0.24 per kW of Billing Demand

Substation Level WTS-DV Service without CIAC

\$0.30 per kW of Billing Demand

Distribution Primary WTS-DV Service Level

\$5.15 per kW of Billing Demand

Distribution Secondary WTS-DV Service Level

\$5.68 per kW of Billing Demand

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C. Billing Demand Determination

The calculation of the monthly Billing Demand shall be:

Billing Demand = Wheeling kW minus any Peak Retail kW, but not less than zero.

D. Payment.

The monthly bill for WTS-DV Service is the sum of the Customer Charge and the product of the Transmission Service Charge and the Customer's billing demand, plus any additional compensation for line losses resulting from Customer's WTS-DV. The Cooperative must receive payment by the 16th calendar day after the date of issuance of the bill, unless the Cooperative and the Customer agree on another mutually acceptable deadline. Interest will accrue on any unpaid amount.

E. Other Costs.

The Customer shall be responsible to reimburse the Cooperative for any direct costs incurred to provide service under this rate schedule unless the Cooperative agrees at its sole discretion to include some or all substation plant investment costs within the rate. In this case and only in this case, will the customer be billed under the "Substation Service without CIAC" rate.

Where not billed as described in the preceding paragraph, the Customer shall be billed for any direct costs incurred to provide service under this rate schedule. These include but are not limited to the costs of necessary engineering analysis, planning, construction, right-of-way acquisition, licensing and permitting, rate development and rate case expenses, special equipment required, operating expenses caused by the operation of the Customer's generation, and transmission or other ancillary charges billed to the Cooperative for the Customer's generation.

E. Agreement.

An Agreement for Wholesale Transmission Service at Distribution Voltage is required.

If a line extension is required in order to provide service to a member, the Cooperative may require an Electric Service Agreement. The Cooperative may also require a contract with a fixed term.

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F. Rate Schedule Changes.

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; service hereunder is subject to the Cooperative's tariff for electric service.

Notwithstanding anything in this Tariff to the contrary, disconnection by the Cooperative of the service described in this rate schedule shall be implemented consistent with the rules of the applicable regulatory authority having jurisdiction, if any and appropriate sections of this Tariff.

202.11 Solar PPA

A. Application

Solely applicable to this PPA contract for all of the electric service supplied at one point of delivery and measured through one meter used for the following purpose:

For commercial purposes to member-owner whose peak demand during the current month and the preceding eleven (11) months was less than 15kW.

B. Type of Service

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

C. Monthly Rate-Effective Date: January 1, 2022

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

	Power Supply		Distribution Wires & Services	Total
	Generation	Delivery		
Member-Owner Charge, per meter: Three-Phase Service With DG	\$0.00	\$0.00	\$75.00	\$75.00
Demand Charge, per Billing kW	\$2.56	\$1.80	\$2.39	\$6.75
Energy Charge, per kWh: DG kWh Reimbursement	\$0.06111	\$0.00000	\$0.01757 See Contract	\$0.07868 See Contract

A. Member-Owner Charge: This charge is for the availability of electric service. It does not include any energy; and

B. Demand Charge: 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 current billing period as adjusted for power factor, but in no event is billing demand less than 3 kW; and

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C. Energy Charge: This charge for the delivery of energy shall be applied to all kWh usage during each billing period.

D. Payment: Bills are due when rendered and become past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next workday after the due date.

D. Minimum Charge

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

- A. The member-owner charge plus the demand charge; and if applicable.
- B. Any special contract arrangements.

E. Billing Adjustments

This rate is subject to all billing adjustments.

F. Agreement

If a line extension is required in order to provide service to a member-owner, the Cooperative may require an Electric Service Agreement.

G. Delinquent Accounts

The Cooperative may assess a one-time charge not to exceed 5% on each delinquent bill.

H. Rate Schedule Changes

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.

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203 BILLING ADJUSTMENTS

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

203.1 Power Cost Recovery Factor (PCRf)

For all applicable member-owner accounts, the monthly charges shall be increased or decreased on a uniform per kWh basis computed monthly as follows:

$$\text{PCRf} = \frac{(\text{A} - \text{B} \pm \text{C})}{\text{kWh's}}$$

Where:

- PCRf = Power Cost Recovery Factor (expressed in \$ per kWh) to be applied to estimated energy sales for the billing period.
- A = Total estimated purchased electricity cost from all suppliers including fuel for the billing period, but excluding costs of purchased electricity supplied under the Industrial Service rate.
- B = Total estimated purchased electricity cost from all suppliers including fuel which are included in the Cooperative's base rates for classifications other than Industrial Service. The base power cost is computed as:
B = (D) (kWh's)
D = Base power cost in \$/kWh sold of \$0.085205.
- kWhs = Total estimated energy sales for billing period excluding sales under the Industrial Service rate.
- C = Adjustment to be applied to the current monthly billing to account for differences in actual purchased electricity costs and actual PCRf revenues recovered in previous periods.

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203.2 Sales Tax

All bills shall be adjusted by the amount of any sales tax or other tax attributable to the sale of electric service to the member-owner unless member-owner has previously provided to the Cooperative satisfactory proof of exemption.

203.3 Overbilling and Underbilling

If billings for electric service are found to differ from the Cooperative's approved rates for the service being purchased by the member-owner, or if the Cooperative fails to bill the member-owner for such service, a billing adjustment shall be calculated by the Cooperative as provided for in the Cooperative's tariff at the time of the overbilling or underbilling.

If the member-owner is due a refund, an adjustment shall be made for the entire period of the overcharges.

If the member-owner was undercharged, the Cooperative may backbill the member-owner for the amount that 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 undercharge is a result of meter tampering, bypassing, or diversion by the member-owner. However, the Cooperative may not disconnect service if the member-owner fails to pay charges arising from an underbilling more than six months prior to the date on which the Cooperative initially notified the member-owner of the amount of the undercharge and the total additional amount due unless such undercharge is a result of meter tampering, bypassing, or diversion by the member-owner. If the underbilling is \$100 or more, the Cooperative may offer the member-owner a deferred payment plan option for the same length of time as that of the underbilling. In cases of meter tampering, bypass, or diversion, the Cooperative is not required to offer a member-owner a deferred payment plan.

203.4 Power Factor Adjustment

Demand charges may be adjusted if the power factor is lower than 95%. Measured demand may be increased by 1% for each 1% by which the power factor is less than 95% lagging for any period of fifteen (15) consecutive minutes. This adjustment shall not be applied on loads of less than 25 kW.

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204 STANDARD SERVICE CHARGES:

204.1 Connect Fee \$25.00

204.2 Collection Fee/Delinquent Disconnect Charge (remotely or in field) \$30.00

204.3 Delinquent Reconnect Charge (remotely or in field) \$30.00

204.4 Field Investigation During Normal Work Hours \$75.00

204.5 Field Investigation After Normal Work Hours \$300.00

No charge shall be made to investigate an outage or service irregularity caused by the Cooperative or the Cooperative's facilities.

204.6 Returned Check Charge \$25.00

Any member-owner having a check or other form of payment dishonored more than twice in a twelve-month period may be required to pay by cash or cash-equivalent for the ensuing year.

204.7 5% Delinquent Fee

The Cooperative may assess a one-time charge of 5% on each delinquent payment received at the Cooperative's Business Office after the 16th day following the billing date, (including Residential).

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204.8 After Hours Meter Reconnection

After hours meter reconnection will be performed only when justified by member-owner's unique circumstances.

There is no after-hours charge when it appears that the member-owner is not at fault.

Decisions to reconnect a meter after work hours must be made by one of the following people only:

General Manager
Director-Finance/Office Operations
Director – System Operations

Member-owner must agree to these requirements prior to reconnection:

- 1) Basic Fee is due when meter is a remote reconnect - \$200.00
- 2) If meter is required to be set in field- \$300.00
- 3) Any Delinquent Charges must be paid in full.
- 4) Any Additional Deposit required must be paid in full

After Hours Meter Reconnection Fee includes the standard Reconnect Charge after non-payment.

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204.9 Switchover Charges

In cases where a member-owner's electric distribution service is being switched from the Cooperative to another electric utility service provider, the following charges shall apply and may be assessed by the Cooperative:

A. Base Charge

The base charge is equal to the cost of removing any meter and service drop used to serve the Cooperative's member-owner. The cost of removing the meter and service drop includes:

1. Transportation Charges-Estimate of time, fuel, and overhead for required Cooperative transportation equipment, and
2. Labor Costs-Labor charges for removing facilities are limited to a reasonable estimate of the direct labor cost (salary, insurance, pension, payroll taxes, etc.) for the time of person needed to remove the facilities, and
3. Any unpaid construction, line extension or other contract charges

B. Facilities Recovery Charge

A charge for distribution facilities rendered idle as a result of the disconnection and not usable on another part of the Cooperative's system, based on the original cost of such facilities less depreciation, salvage value and contributions in aid of construction; but including the cost of removing the idled plant deemed by the Cooperative to be economically salvageable. The Cooperative may not impose a facilities recovery charge if it refuses to accept a reasonable offer to purchase from the acquiring utility company.

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- C. Prior to disconnection, the member-owner shall pay the Cooperative for all service up through the date of disconnection; as well as, the charges set forth in this tariff. Upon receipt of payment, the Cooperative shall give the member-owner a paid receipt.

In accordance with the Substantive Rules of the Public Utility Commission of Texas, the Cooperative member-owner is hereby advised that the connecting utility may not provide service to said member-owner until such connecting utility has evidence from the Cooperative that the member-owner has paid for electric service through the date of disconnection and any charges for disconnection under this tariff.

All requests, notices, offers, agreements, and switchover requests must be in writing unless otherwise indicated.

A member-owner's electric distribution facilities may not be switched more than once every 12 months.

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204.10 Meter Test Charge

A meter test charge of \$25.00 for Residential or \$35.00 for Commercial/Industrial (3 phase) may be made upon the two following conditions:

1. Result of meter test is found to be within the accuracy standards established by the American National Standards Institute, and
2. Said meter was tested upon the request of member-owner within the previous four years.

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204.11 Meter Tampering

If any Cooperative meter has been tampered with or bypassed, the Cooperative may discontinue service without notice. For purposes of this section, meter tampering shall be defined as meddling with an electric meter or metering equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter, or attaching objects to the meter to divert service. Also included are the insertion of objects into the meter, and other electrical and mechanical means of electric service theft. Criminal mischief laws pertaining to tampering or damaging Cooperative property is covered under Section 31.04 and Section 28.03 of the Penal Code of the State of Texas.

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

A minimum charge of \$500.00 will be assessed in all cases in addition to the charge for estimated cost of stolen electric power, plus any additional charges. Theft of electric power by any or all means is covered under this policy.

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204.12 Relocation or Upgrade of Facilities:

When the member-owner requests relocation, upgrade, or replacement of Cooperative facilities or temporary placement of new or existing facilities, the member-owner shall pay to the Cooperative an estimate of the actual cost of construction and removal. The estimate of the actual cost shall be paid in advance.

204.13 Cancellation of Contract

If a member-owner cancels any agreement for the provision of electric service after acceptance by the Cooperative before service is initiated, the member-owner shall be charged the actual costs incurred by the Cooperative.

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SECTION III SERVICE RULES AND REGULATIONS

PART A OBTAINING ELECTRIC SERVICE

301 Application for Electric Service

301.1 Application Required

Any person desiring to receive electric service from the Cooperative shall apply for such service by properly completing, signing, and submitting a “Membership and Electric Service Agreement” form which has been approved by the Cooperative’s Board of Directors . In certain situations, a separate “Membership and Electric Service Agreement” may be required for a new location where delivery of electric energy is desired, whether or not for initial service or for renewal of service.

A “Membership and Electric Service Agreement” shall be filed when it is received by an authorized Cooperative employee at the office of the Cooperative in Muenster, Texas.

The “Membership and Electric Service Agreement” must be in the true name of the person or entity desiring to receive electric service. The Cooperative requires suitable identification and such other information as may be reasonably necessary to evaluate the application.

301.2 Membership in the Cooperative

An Applicant shall automatically become a member-owner of the Cooperative at the time of connection for electric service following completion of a “Membership and Electric Service Agreement”.

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301.3 Request to Purchase Electric Service

An Applicant has initiated the process for securing electric service from the Cooperative upon completion of the “Membership and Electric Service Agreement”, which embodies the Applicant’s agreement to abide by the rules and regulations of the Cooperative’s Tariffs, including the provision of any required easement(s). If an appropriate easement does not exist, the application for membership includes granting to the Cooperative the required easement for electric lines, wires, conduits, and other equipment of the Cooperative necessary to render service, but not broader than what is needed to provide service. If requested by the Cooperative, the applicant/member-owner will execute the Cooperative’s standard right-of-way agreement granting to the Cooperative, at no expense therefore, satisfactory easements for suitable location of the Cooperative’s wires, conduits, poles, transformers, metering equipment, and other appurtenances on or across lands owned or controlled by the member-owner. In the event the member-owner shall divide premises by sale in such manner that one part shall be isolated from the location where Cooperative’s electric lines are accessible, the member-owner shall grant or reserve an easement for electric service over the part having access to electric lines for the benefit of the isolated part.

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302 Cooperative Action on Application for Service

The Cooperative shall consider and take action as soon as is reasonably possible on a request for service following the Applicant's acceptably completing, signing, and submitting a "Membership and Electric Service Agreement" to the Cooperative.

Provision of Electric Service

Electric service will be provided, and the Applicant's request granted except in cases of non-compliance with rules and regulations of these Tariffs and Cooperative By-Laws, such as the following:

- A. Failure to establish satisfactory credit or required deposit.
- B. Failure to provide required easements.
- C. Failure to comply with all applicable safety standards.
- D. Failure to settle indebtedness to the Cooperative for previous electric service.
- E. Failure to comply with any state, county, or municipal laws or ordinances.
- F. Failure to pay to the Cooperative any contribution in aid-to-construction required by the extension policies in these Tariffs.

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303 Contract for Service

The grant of an application shall operate as an acceptance of the applicant's offer to purchase electric service.

303.1 Terms of Contract

The terms of the contract are the provisions of the Member and Electric Service Agreement (including the tariff) and any applicable easement.

303.2 Conditions to be Fulfilled by the Applicant or Member-owner 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 the applicant or member-owners shall:

- A.** Comply with the Law: The applicant or member-owner warrants 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 take on the responsibility to determine if the applicant or member-owner 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: The applicant or member-owner shall comply with the Service Rules and Regulations of the Cooperative governing the service applied for, and
- C.** Member-owner Installation: The applicant or member-owner warrants to the Cooperative that his or her installation is constructed in accordance with the latest revision of the National Electric Code published by the National Fire Protection Association and/or the latest revision of the National Electrical Safety Code published by the Institute of Electrical and Electronics Engineers, Inc., as may be applicable. The applicant or member-owner further warrants to the Cooperative that his or her installation will be maintained in accordance with such code publications. The Cooperative does not undertake to determine if the applicant or member-

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owner 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 the applicant or member-owner's installation does not conform to such standards, he or she may be required to conform prior to the provision of service, and

- D. Easement:** The applicant or member-owner shall grant or secure to the Cooperative, at the applicant or member-owner's expense, an easement, the form and content of which is satisfactory to the Cooperative, and
- E. Construction Costs:** The applicant or member-owner shall fulfill all obligations for the payment of construction costs in the manner prescribed in the service rules and regulations governing line extensions.

303.3 Membership or Contracts Not Assignable

Membership and/or executed contracts shall not be assigned to others but shall inure to the benefit to the Cooperative or its consigns after member-owner's receiving of electric service following acceptable application and compliance with the Cooperative's Tariffs and By-Laws.

303.4 Modification by the Parties

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

303.5 Initiation of Electric Service

Electric service is provided to qualified applicants who have satisfactorily established credit and fulfilled all conditions of membership in the Cooperative. Concerning service installation, the Cooperative exerts a bona fide effort to make service available within time guidelines as follows:

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- A. Within seven (7) working days when no line extension or new facilities are required.
- B. Within ninety (90) days for permanent residential service when a line extension or other facilities are required except in cases where the unavailability of materials causes a delay.
- C. Occasionally, a time period longer than 90 days is required for extensions to member-owner classes other than residential because of scheduling problems or extenuating circumstances.
- D. The Cooperative will not be held liable for any delays in procurement of materials necessary to construct a line extension or to provide adequate service.

304 Characteristics of Electric Energy

304.1 Voltage

The Cooperative adopts the following standard voltages for distribution:

<u>Single Phase</u>	<u>Three Phase</u>
120/240	120/208
240/480	120/240
	240/480
	277/480

The Cooperative will maintain these standard voltages and will promptly correct any deviations that exist as they become known by Cooperative personnel.

304.2 Frequency

The Cooperative's wholesale power supplier controls the frequency of current provided by the Cooperative. Generally, the Cooperative provides alternating current at a standard frequency of 60 cycles per second. Except for occasional and unavoidable fluctuations, this standard is maintained within one-tenth (1/10) of a cycle per second.

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305 Continuity of Electric Services

305.1 Reasonable Diligence

The Cooperative will use reasonable diligence to supply steady and continuous service, but does not guarantee the service against irregularities or interruptions. The Cooperative shall not be liable to the member-owner for any damages occasioned by irregularities or interruptions.

305.2 Service Interruptions

Service interruptions may occur. The Cooperative shall make reasonable efforts to prevent service interruptions. When interruptions do occur, the Cooperative shall reestablish 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, and to aid in the restoration of electric service.

305.3 Service Irregularities

Irregularities in service such as voltage surges may occur. The member-owner is responsible for installing and maintaining devices that protect his or her installation, equipment and processes during periods of abnormal service conditions.

305.4 Investigation of Service Interruptions and Irregularities

The Cooperative will make a reasonable investigation of service interruptions and irregularities reported by a member-owner. 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-owner shall be so advised. The Cooperative shall not be obligated to inspect the member-owner's conductors, installation or equipment.

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305.5 Limitation of Liability for Service Interruption, Irregularity and Force Majeure

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in a bona fide adverse legal proceedings 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 electrical equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

305.6 Emergency

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

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306 **Establishment of Credit**

306.1 **Residential Credit Requirement**

The Cooperative may require a Residential Applicant to establish and maintain satisfactory credit as a condition to providing service. The credit worthiness of spouses established during shared service in the 12 months prior to their divorce will be equally applied to both spouses for the 12-month period immediately following their divorce.

Establishment of credit shall not relieve any member-owner (residential, Commercial or Industrial) from complying with the Cooperative's requirement for prompt payment of bills.

Satisfactory credit can be demonstrated by a Residential Applicant in the following way:

Credit Check for Residential Accounts

Residential Applicant provides Social Security Number and Driver's License Number for a credit check, and

1. Is not presently delinquent in payment of any such electric utility service account.
2. Has less than a 10% risk factor from credit check.

306.2 **Commercial/Industrial Credit Requirements**

The Cooperative generally requires a Commercial/Industrial Applicant to establish credit worthiness by providing a security deposit as a condition to receiving service. In certain cases, a deposit may be waived when Applicant for Commercial/Industrial service provides a surety bond or parent guaranty.

Establishment of credit shall not relieve any member-owner (Residential, Commercial or Industrial) from complying with the Cooperative's requirement for prompt payment of bills.

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307 Deposits, Residential and Commercial/Industrial

307.1 Security Deposit

A security deposit may be required of the Applicant in order for credit requirements to be satisfied. Interest on member-owner deposits will be paid at the average rate paid over the previous 12-month period on United States Treasury Bills with a 26-week maturity. This interest will be credited to Member's account annually in the month of January.

A. Residential Deposits are based on the 12-month average at the location, and deposit is calculated at 90% of 2 months of this average, or \$250, whichever is greater. Residential deposits will be returned after 12 months of satisfactory payment history is established with the Cooperative, which includes:

1. No service disconnection due to delinquent payments.
2. Not more than two late payments and,
3. Not being delinquent with current payment.

B. Commercial/Industrial deposits will be held for an initial period of 24 months and comply with the preceding requirements. The deposit is based on the 12-month average at the location, and calculated as 2 months of this average, or \$250, whichever is greater.

307.2 Additional Deposits at Reconnection

An additional deposit may be required if the above requirements are not being met.

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308 **Line Extension Policies**

The Cooperative extends its electric service to member-owner's electrical installation in the most cost-effective manner. Extensions of service in excess of the maximum allowance by the Cooperative will be paid by member-owner prior to construction as contribution in aid of construction.

308.1 **General Policy**

The Cooperative extends its distribution facilities to member-owners in accordance with the following line extension provisions. Each provision classifies the predominant type of electric service/use anticipated on member-owner's premises and specifies conditions under which a line extension may be made.

For each location where electric service is desired, member-owner's classification involves an evaluation of the type of installations and its use. Member-owner's classification shall be determined by the Cooperative. In the event that the classification assigned by the Cooperative is incorrect based upon member-owner's subsequent actual use of the installation; then, the Cooperative may alter member-owner's classification and apply the correct line extension classification, making appropriate adjustment to the member-owner's account or billing. All stipulations of the Electric Service Agreement must be adhered to also.

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308.2 Permanent Residential Extensions:

The Cooperative will construct a new extension of its overhead distribution system to serve a permanent single-family residence under the following provisions:

- A. Applicability:** To qualify as an extension to a permanent single-family residence, the location where the member-owner is requesting service shall:
1. Be a permanent installation; and
 2. If located within a subdivision, the developer must have complied with the subdivision line extension policy of the Cooperative and paid all aid to construction required therein.
- B. Point of Delivery:** The Cooperative extends its electric facilities only to the point of delivery. The member-owner shall install and be solely responsible for wiring of the installation after the point of delivery.
- C. Facilities Charge:** The Cooperative will construct an extension of its overhead distribution system to the member-owner's point of delivery for a permanent installation, which is used as a permanent residence and occupied by the owner full time. The Cooperative will provide an extension of single-phase electric distribution service to a residence for a maximum of \$600 total extension cost (including underground installation).

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All additional extension costs will be borne by the member-owner and must be paid in advance as a contribution in aid of construction.

Cost shall mean the total cost of all construction including not only the labor and materials used in constructing the extension, but also engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. The Cooperative shall estimate cost in excess of the Cooperative's obligation and member-owner shall pay such estimate prior to commencement of construction. Costs shall be estimated based on the Cooperative's standard engineering practices excluding reasonably necessary system improvements.

All amounts paid to the Cooperative for construction shall be non-refundable.

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308.3 Non-Permanent Residential Extensions:

The Cooperative will construct a new extension of its overhead distribution system to serve a non-permanent residence under the following provisions:

- A. Applicability:** To qualify as an extension to a non-permanent residence, the location where the member-owner is requesting service shall be a dwelling unit not qualifying as a permanent installation.
- B. Point of Delivery:** The Cooperative extends its electric facilities only to the point of delivery. The member-owner shall install and be solely responsible for wiring of the installation after the point of delivery.
- C. Facilities Charge:** The Cooperative will provide, at no cost to the member-owner, an extension of overhead, single-phase electric distribution service as follows: one service drop from existing distribution line to a service pole on which meter will be set (not to exceed \$250.00 total cost).

All additional extension costs will be borne by member-owner and must be paid as a contribution in aid of construction prior to construction by the Cooperative.

Upon member-owner's request *made concurrently with line extension request*, consideration may be given to qualify member-owner's Mobile Home as a "Permanent Residence" and thereby be eligible for line extension under "Permanent Residential" status.

To accomplish this reclassification, the following four requirements must first be met and verified *within 90 days of line extension construction*:

1. All mechanisms and devices making manufactured home easily movable have been removed from home
2. Foundation or underpinning is present.
3. Home is connected to permanent water supply or water well.
4. Home is connected to permanent sewer system or septic system.

All construction expenses prior to meeting these requirements must be paid by member-owner.

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Following *timely* compliance with the four requirements listed above, a refund will be made to member-owner for the difference between the *appropriate* allowance under the “Permanent Residential” line extension policy, and the “Non-Permanent Residential” line extension policy.

Cost shall mean the total cost of all line construction expenses including not only the labor and materials used in constructing the extension, but also engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. The Cooperative shall estimate cost in excess of the Cooperative’s obligation and member-owner shall pay such estimate prior to commencement of construction. Costs shall be estimated based on the Cooperative’s standard engineering practices excluding reasonably necessary system improvements.

All amounts paid to the Cooperative for construction shall be non-refundable, with the exception of non-permanent residents reclassified as permanent residents.

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308.4 Eligible General Service Loads (Less than 1000 kW Demand):

The Cooperative shall construct a new extension of its overhead distribution system to serve general service loads (Less than 1000 kW demand) under the following provisions:

- A. Applicability:** To qualify as an extension to general service loads (less than 1000 kW demand), the location where the member-owner is requesting service shall:
1. Be a small oil well pumping load;
 2. Be other general service loads projected to have greater than 5 KW and less than 1000 kW connected load.
- B. Point of Delivery:** The Cooperative extends its electric facilities only to the point of delivery. The member-owner shall install and be solely responsible after the point of delivery.
- C. Facilities Charge:** The Cooperative will provide, at no cost to the member-owner, an extension of overhead single-phase electric distribution service from an existing distribution line not to exceed \$400.00 total extension cost.

For the following listed General Service loads, less than 5KW, the Cooperative will provide, at no cost to member-owner, one (1) service drop from existing overhead, single-phase distribution line to a service pole on which meter will be set, not to exceed \$250.00 total cost.

1. Lighted Billboard Signs
2. General Service Water Wells
3. Barns
4. Pipeline Rectifier Units
5. Other General Service Loads

Cost shall mean the total cost of all line construction expenses including not only the labor and materials used in constructing the extension, but also engineering, right-of-way acquisition and clearing, and all other costs directly attributable to the extension. The Cooperative shall estimate cost in excess of the Cooperative's obligation and the member-owner shall pay such estimate prior to commencement of construction. Costs shall be estimated based on the Cooperative's standard engineering practices excluding reasonably necessary system improvements.

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308.5 Commercial and Industrial with Greater Than 1000 kW Demand:

The Cooperative will calculate the extent of electric distribution line extension to be provided, at no cost to the member-owner, by performing a specific cost study.

Specific Cost Study

Revenue justified capital investment by the Cooperative will be determined by this Specific Cost Study. All additional extension costs will be borne by the member-owner and must be paid in advance as a contribution in aid of construction.

Specific Cost Study Formula:

KW Load x 8,760 Hrs. per yr. x Typical Load Factor x Unbundled Large Power

Distribution Rate = Gross Margins / Yr.

Calculations of Formula designed to determine number of years for payout of the Cooperative's investment in extension.

Contracts may be required of Commercial and Industrial member-owners for line extensions provided by the Cooperative (at no cost to member-owner) in order to guarantee gross margin returns for justification of expenditures by the Cooperative.

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308.6 Yard Lights

An application form for yard light installations will be initiated and used as permanent record for all yard light installations.

A. Rental Light Installations:

	Installation of:	Service Charge
1	Yard Light on present pole w/transformer available	\$60.00
2	Relocate Yard Light and Transformer to Existing Pole	\$120.00
3	Replace Existing (working) light w/LED by Request	\$120.00

See Yard Light Application for additional installation charges.

B. Rental Lights - Monthly Rental Fee

\$11.55 per rental light + (PCRF)

1. No charge for maintenance (unless vandalism is evident).
2. Rental Fee will be applied to monthly billing.

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C. Member-Owned Lights: (Not Rental Lights).

1. The Cooperative will no longer sell yard lights to the member-owners.

2. Maintenance Calls (*Only yard lights purchased from The Cooperative*):

- | | |
|----------------------------|-------------------------|
| a. Minimum charge. | \$ 60.00 Service Charge |
| b. Plus replacement parts. | Additional Charge |

Notes:

c. The Cooperative does not run the wiring for member-owned yard lights.

d. Service charges and additional charges for replacement parts may be added to monthly billing statement.

3. If a member-owned light is beyond repair, upon completion of a Yard Light Application, PenTex Energy will offer to install a rental light. Billing will be based on application scenario (see Yard Light Application).

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308.7 Residential Subdivision Extension Policy

For Subdivisions developed for Permanent Residences Only

Subdivision Backbone—Developer will be required to pay all installation costs for Subdivision Primary 7200 Volt electric distribution backbone system prior to engineering planning and line extension construction. The Cooperative will allot a \$750 allowance per plotted lot to the developer.

System Improvements—Allocation of costs required to connect subdivision to existing PenTex Energy Electric Distribution System will be determined by an evaluation of Cooperative's system improvement line extension plans.

Permanent Service to Membership from Backbone System: Present line extension policies for serving single-family permanent residential member-owner's will be followed.

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308.8 Residential Subdivision Developments of Mobile Homes Extension Policy

The Cooperative will construct a new extension of its overhead distribution system to provide service with residential subdivision developments of mobile homes under the following provisions:

A. Applicability

To qualify as an extension to subdivision developments of mobile homes the location where developer is requesting service shall:

1. be a dedicated subdivision of mobile homes; and
2. be primarily used or developed for several single or multi-family residential dwelling units.

B. Type of service

The Cooperative extends its electric facilities only in accordance with an approved plan along public roads suitable for all weather travel and within proper easements. Usually the extensions provided for developers of a subdivision are largely primary voltage facilities. Arrangements for extensions of secondary voltage facilities are handled with individual member-owner's under the appropriate residential or commercial policy.

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C. Facilities Charge

Developer shall be required to pay in advance 100% of the cost of construction of primary facilities prior to the commencement of construction. Primary line extensions classified by the Cooperative as “system improvements” will be installed at no cost to developer.

Costs shall mean the total cost of all construction including not only the labor and materials used in constructing the extension, but also engineering, right-of-way acquisition, clearing, and all other costs directly attributable to the extension. The Cooperative shall estimate cost in excess of the Cooperative’s obligation and member-owner shall pay such estimate prior to commencement of construction. Costs shall be estimated based on the Cooperative’s standard engineering practices excluding reasonably necessary system improvements.

D. Underground Service Installation

The Cooperative will attempt to provide underground facilities to serve most types of permanent installations. Member-owner shall pay the actual cost of construction less such amount which would have been the Cooperative’s obligation if service had been provided from overhead facilities.

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E. Point of Delivery.

The Cooperative extends its electric facilities only to the point of delivery. Member-owner shall install and be solely responsible for wiring of the installation after the point of delivery.

F. Temporary Service

In any circumstance where the need for electric service may be for a period of less than one year, the Cooperative shall charge and member-owner shall pay 100% of the actual cost of construction plus the cost of removal less salvage value.

G. Relocation of Facilities

The Cooperative will relocate its facilities on member-owner's premises provided the member-owner has

1. provided an easement for the new facilities; and
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.

308.9 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 any amount may have been paid as a contribution in aid to construction by the member-owner or subdivision developer. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

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308.10 Refund of Prepayments for Electric Service

Payments necessary for construction of facilities which will be used by the member-owner are contributions in aid of construction and are not refundable.

308.11 Special Circumstances

Any situation involving special circumstances, including mobile home developments, not specifically covered by this policy will require special consideration and approval by the General Manager. Extensions will be designed to recover actual costs.

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309. Meters

A. Type of Meter and Ownership of Meter

The Cooperative shall provide, install, own, and maintain all meters and automatic metering infrastructure (AMI) system necessary for the measurement of electrical energy. The type of meter and AMI system is to be determined by the Cooperative. Each location must have a meter to utilize the AMI system without the option of opting out by the Member. The meter can be relocated away from the original location at the expense of the Member, with limitations to assure quality of service.

B. Location and Installation of Meter

Meters and service switches in conjunction with the meter shall be installed in accordance with the latest revision of American National Standards Institute, Incorporated Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing and inspection, and where such activities will cause minimal interference and inconvenience to the member-owner.

Member-owner shall provide, without cost to the Cooperative, at a suitable and easily accessible location:

- (1) sufficient and proper space for installation of meters and other apparatus of the Cooperative,
- (2) meter loop (for single phase only),
- (3) safety service switches when required, and
- (4) adequate anchor for service drops.

Where the meter location on the member-owner's premises is changed at the request of the member-owner, or due to alterations on member-owner's premises, the member-owner shall provide and have installed at member-owner's expense, all wiring and equipment necessary for relocating the meter.

The Cooperative will not set a meter in a location deemed improper or unsafe at the Cooperative's discretion.

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310. Point of Delivery

The member-owner 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-owner's service entrance conductors are connected to the Cooperative's conductors. Such point shall be outside the member-owner's installation or structure(s) at a location that will facilitate connection in accordance with the National Electrical Safety Code and standard operating practices of the Cooperative.

311 Member Relations

A. Available Information

1. Facilities for Providing Electric Service

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

2. Cost of Providing Service

Upon request, a prospective applicant will be informed of the lowest-priced service alternatives available giving consideration to equipment options and installation charges, if any.

3. Tariffs

The Cooperative maintains at its business office and makes available for inspection a copy of its current tariffs including all rate schedules and extension policies relating to the provision of electric service. Upon request, a copy of any applicable portion of the tariff will be provided to applicants and others entitled to the information.

4. Meter Reading

When requested, the Cooperative informs its member-owners of the standard procedure for reading meters.

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B. Member-owner's Complaints

Upon complaint to the Cooperative by a member-owner either in person at its headquarters, by letter, by telephone, or by any written form the Cooperative shall make an appropriate investigation and advise the complainant of the results thereof in a timely manner.

In the event the complainant is unsatisfied with the Cooperative's report, the Cooperative will advise the complainant to describe in writing a detailed chronological account of events and facts from the complainant's perspective. This account and the Cooperative's account will be studied further with consideration given to the policies and standard practices of the Cooperative in view of making a final settlement of the complaint within the bounds of good business operating practices.

C. The Complaint Process

The Cooperative shall keep a record of all substantive complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of two years subsequent to the final settlement of the complaint. Complaints with reference to rates, fees, or service charges, which require no further action by the Cooperative, need not be recorded.

D. Interest Paid on Security Deposits

If the Cooperative requires a security deposit to be made by an applicant or member-owner, the Cooperative shall pay interest on such deposit as follows:

1. If refund of deposit is made within 30 days of receipt of the deposit, no interest payment is required;
2. If the Cooperative retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of the deposit.

Payment of the interest to the member-owner shall be credited to member-owner's account in January of each year for the accrued interest since the last refund date or the date deposit was received whichever is later or at the time the deposit is returned or credited to the member-owner's account. The interest rate paid on required security deposits of applicant or member-owner will be paid at the average rate paid over the previous 12-month period on United States Treasury bills with a 26-week maturity.

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E. Collection Procedures

1. Overview

Delinquent accounts will be worked aggressively by Cooperative personnel in a timely manner because of the resulting benefits from reduction of accounts receivable “write-offs”; and also to comply with generally accepted good business practices. Collection procedures will be conducted in both a professional and courteous manner.

Member-owner’s credit history, specific personal notes, and longevity of service will be considered in determining account payment trends.

Also, these factors will be taken into consideration by Cooperative collection personnel in determining the appropriate action while making a “collect/disconnect order” following non-payment.

2. Inactive Account Collections

A series of four “collection letters” will be sent to the best available address when an account is classified as “Inactive” following a member-owner’s request for disconnection or following disconnection on the Cooperative’s initiative for non-payment.

An outside collection agency will be used to assist the Cooperative in more aggressively pursuing payments on accounts with balances exceeding \$25.00 when the series of collection letters has been unsuccessful in reducing delinquent balances.

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Part B DISCONTINUANCE OF SERVICE

312 Discontinuance of Service

A. Member-Owner's Request for Disconnection

Any member-owner desiring to discontinue electric utility service from the Cooperative shall make a request identifying the member-owner, the service location where discontinuance is desired, and the date service is requested to be discontinued. Such request shall be filed at the Cooperative's Office.

B. Disconnection

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

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313 Cooperative Initiated Discontinuance of Service

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

A. Nonpayment of a Bill

If the member-owner fails or refuses to pay a delinquent account for electric service (whether or not based upon estimated billing), service will be interrupted. All similar classes of member-owner's accounts shall be disconnected also; or

B. Deferred Payment Plan

If the member-owner fails to perform any obligation under the terms of a deferred payment agreement, service will be interrupted; or

C. Interference with Service

If the member-owner violates any rule pertaining to the use of electric service in a manner which interferes or is likely to cause interference with electric service to other member-owners or operates nonstandard equipment, provided that the Cooperative has made a reasonable effort to notify the member-owner and provided there has been a reasonable opportunity to remedy the situation. Also included are any safety hazards which exist; or

D. Failure to Make Application for Service

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

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E. Refusal of Access

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

F. Default on Guaranty Agreement

If a member-owner has signed a Parent Guaranty and fails or refuses to pay the amount due on the guaranteed account when requested to do so by the Cooperative; or

G. Meter Tampering

If any Cooperative meter has been tampered with or bypassed, the Cooperative may discontinue Service without notice. For purposes of this section, meter tampering shall be defined as meddling with an electric meter or metering equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter, or attaching objects to the meter to divert service. Also included are the insertion of objects into the meter, and other electrical and mechanical means of electric service theft. Criminal mischief laws pertaining to tampering or damaging Cooperative property is covered under Section 31.04 and Section 28.03 of the Penal code of the State of Texas.

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

A minimum charge of \$500.00 will be assessed in all cases in addition to the charge for estimated cost of stolen electric power, plus any additional charges. Theft of electric power by any or all means is covered under this policy.

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313.1 Notice of Disconnection

A. Proper Notice Prior to Disconnection for Nonpayment

If a member-owner fails or refuses to pay the Cooperative in accordance with the provisions of the Membership and Electric Service Agreement, 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 ten (10) days prior to a stated date of disconnection, with the words “termination notice” or similar language prominently displayed on the notice. If mailed, the cut-off day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth day. Receipt of payment at Cooperative’s Office in Muenster, Texas is considered the date of payment to the Cooperative. The Cooperative shall not issue late notices or disconnect notices to the member-owner earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to ascertain receipt of payment at the Cooperative’s Office.

B. Disconnection Without Notice

Electric service may be disconnected without any notice to member-owner if a hazardous condition exists or for meter tampering or bypassing.

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C. Disconnection After Reasonable Notice

1. Electric service may be disconnected for violation of service rules pertaining to the use of service in a manner which interferes with the service of others or upon the operation of nonstandard equipment. A reasonable attempt must be made to notify the member-owner, and the member-owner is provided with a reasonable opportunity to remedy the situation.

2. Electric service may be disconnected for failure to make application for service, refusal of access, failure to pay a bill to correct previous underbilling, default on guaranty agreement, if reasonable notice is given. Reasonable notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection with the words “termination notice” or similar language prominently displayed on the notice. If mailed, the cut-off day may not fall on a holiday or weekend but shall fall on the next working day.

3. Normally, electric service shall not be disconnected on a weekend or a holiday, or the day immediately preceding a weekend or a holiday.

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313.2 Postponement of Disconnection – Medical

The Cooperative will postpone discontinuance of service to a delinquent residential member-owner permanently residing in an individually metered dwelling unit when that member-owner 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. Each time a member-owner seeks to avoid termination of service under this rule, a written statement must be received by the Cooperative from the physician or healthcare 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-owner. The member-owner who makes such request shall enter into a deferred payment plan.

313.3 Effect of Discontinuance of Service

A. Member-Owner's Obligations

Discontinuance of service shall not relieve member-owner from any obligation to the Cooperative or increase or decrease any obligation in any manner.

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 the 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-owner.

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313.4 Dismantling of Cooperative Facilities

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

313.5 Liability for Discontinuance of Service

The Cooperative shall not be liable for any damages of any kind or character resulting from discontinuance of service or disconnection made pursuant to these rules.

313.6. Refund of Deposit

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

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Part C INTERCONNECTING ELECTRIC SERVICE

314 Obtaining Interconnection With the Cooperative's System

The following general requirements shall be met to the Cooperative's satisfaction prior to an interconnection by a qualifying power generator with the Cooperative's electric facilities:

A. Application

Applicable to Distributed Generation Facilities smaller than 10 MW of connected generation connected in parallel operation to the Cooperative's electric system in accordance with the Cooperative's service rules and regulations and the Cooperative's *Distributed Generation Procedures and Guidelines Manual for Members* ("DG Manual").

This is not applicable to temporary, shared, or resale service. This is applicable to service supplied at one point of delivery.

B. Sales to member-owner

Sales to a Distributed Generation member-owner shall be consistent with the applicable retail rate tariff established by the Cooperative and in use by the member-owner as if there were no Distributed Generation installation.

C. Purchases from a member-owner – Facility classified as less than 10 MW of connected generation

Determination of billing shall be accomplished by interconnection through two meters with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the member-owner or through a single meter with multiple registers with one measuring all energy supplied by the Cooperative and the other measuring all energy supplied by the member-owner.

The member-owner shall be compensated for energy supplied by the member-owner at the Cooperative's avoided wholesale power cost as defined in the DG Manual.

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The Cooperative shall bill the member-owner for the energy supplied by the Cooperative during each billing period according to the Cooperative's applicable retail rate schedule.

There shall be no "net metering" for Distributed Generation facilities. Net metering is defined as measuring the difference between the electricity supplied by the Cooperative and the electricity generated by the member-owner's facility and fed back to the electric grid over the operable time period.

The member-owner shall be subject to any market charges related to the member-owner's DG facility, including but not limited to scheduling, dispatching and energy imbalance.

D. Monthly Rate

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

DG Member-Owner Charge

50 kW and smaller @ \$ 10.00 per meter/month
Over 50 kW and under 10 MW @ \$ 34.00 per meter/month

*Refer to Section 202 for full rate detail

Average (Levelized) payment plan is not applicable to accounts with Distributed Generation Facilities.

Facilities Charge

As determined at the sole discretion of the Cooperative on a case-by-case basis to recover any additional operation and maintenance expense caused by the member-owner's DG facility.

Contracts

An Interconnection Agreement between the member-owner and the Cooperative, as detailed in the DG Manual, shall be required in all cases.

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401 Definitions:

Applicant

A person requesting electric service from the Cooperative in the manner prescribed in the Cooperative's service rules and regulations.

Commission

The Public Utility Commission of Texas.

Cooperative

PenTex Energy.

Distribution System

The Cooperative's primary and secondary voltage conductors, transformers, switchgear, connection enclosures, pedestals, services, and other associated equipment used to provide electric service.

Electric Service

Electric power and energy produced, or transmitted, or distributed, or provided, or made available by the Cooperative at the point of delivery together with all services and functions performed by the Cooperative.

Energy

The capacity for doing work. The unit for measuring electrical energy is the watt hour, or kilowatt hour which is 1,000 watt hours (kwh).

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.

Member-Owner

Any person receiving electric service from the Cooperative following the completion of the Membership and Electric Service Agreement.

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Member-Owner's Installation

All conductors, equipment, buildings, structures, or apparatus of any kind on member-owner's side of delivery point, excepting only Cooperative's metering equipment.

Meter

A device (or devices) together with auxiliary equipment for measuring electric energy usage, demand, and other data as required.

Municipality

Any incorporated city, town, or village.

Non-permanent Installation or Intermittent Use Installation

Any installation other than a permanent installation.

Parties

The Cooperative and an applicant or member-owner.

Permanent Installation

Any installation that is:

A. Constructed on or permanently affixed to a concrete slab or concrete piers 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 from which wheels, trailer hitch, and axle have been removed are considered impractical to move; and
2. The structure must be actually used or occupied on a permanent full time basis;

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3. The structure must be located on property owned by the applicant/member-owner or leased by the applicant/member-owner for an initial term of not less than three years;
4. The structure must be permanently connected to a water system and must also be permanently connected to a county approved sewer or septic system.

Person

Any individual, partnership, association, joint venture, corporation, governmental entity, or any entity legally recognized by Texas law.

Point of Delivery

The point where the Cooperative's conductors are connected to the member-owner's conductors.

Premises

A tract of land or real estate including buildings or other appurtenances thereon.

Rate Schedules

Any schedule of rates approved by the Board of Directors of PenTex Energy and contained in these tariffs.

Regulatory Authority

The Public Utility Commission of Texas maintains authority for certification of electric distribution service areas, setting terms and conditions for member-owner choice, and various oversight functions. Most of the regulatory authority resides with the local Cooperative's Board of Directors who, by virtue of Texas Senate Bill 7 (1999), have exclusive jurisdiction to set rates, terms of access, conditions, and to determine whether to unbundle any energy-related activities, etc.

Rules: Service Rules and Regulations

Any service rule or regulation of the Cooperative approved by the Board of Directors of PenTex Energy and contained in these tariffs.

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Service Area

The area of territory in which the Cooperative provides electric distribution service in compliance with certification by the Public Utility Commission of Texas.

Service Entrance Conductors

Conductors provided by the member-owner extending from member-owner's electrical equipment to the point of delivery where connection is made to the Cooperative's conductors.

Tariff(s)

All provisions of this document including but not limited to provisions regarding (I) Utility Operations; (II) Rates Schedules; (III) Service Rules and Regulations, (IV) Definitions.