

Tariff and Business Rules
For Electric Service Provided by
Pedernales Electric Cooperative, Inc.

201 South Avenue F
P.O. Box 1
Johnson City, Texas 78636-0001

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TABLE OF CONTENTS

100 RATE SCHEDULES.....4

OVERVIEW 4

GENERAL PROVISIONS 4

100.1 RESIDENTIAL AND FARM/RANCH - CONVENTIONAL (R) 6

100.1.1 RESIDENTIAL AND FARM/RANCH - eBILLING (R) 6

100.1.2 RESIDENTIAL AND FARM/RANCH - eSAVER (R)..... 7

100.1.3 RESIDENTIAL AND FARM/RANCH - eDRAFT (R)..... 7

100.2 WATER WELL (W)..... 8

100.3 SMALL POWER (SP)..... 9

100.4 LARGE POWER (LP)..... 9

100.5 INDUSTRIAL POWER (IP)..... 10

100.6 POWER PLANT START POWER (PPSP) 11

100.7 INTERCONNECTION NET METERING UP TO 50 kW (IB) 11

100.7.5 INTERCONNECTION METERING FOR SYSTEMS GREATER THAN 50 kW AND LESS THAN 400 kW 11

100.8 RENEWABLE ENERGY RIDER 12

100.8.5 COOPERATIVE SOLAR RATE [EFFECTIVE FEBRUARY 1, 2018] 13

100.9 COLLEGE DISCOUNT RATE (CDR)..... 14

100.10 MILITARY BASE DISCOUNT RATE (MDR) 14

100.11 AREA LIGHTING (AL)..... 15

100.12 TRANSMISSION COST OF SERVICE..... 16

100.13 POWER COST RECOVERY (PCR)..... 16

100.14 WHOLESALE TRANSMISSION POLICY (WTS)..... 18

100.15 WHOLESALE DISTRIBUTION SERVICE (WDS)..... 20

100.16 FACILITIES RENTAL RIDER (FRR) 22

100.17 FRANCHISE FEE 22

100.18 REVENUE ADJUSTMENT FACTOR 22

100.19 ECONOMIC DEVELOPMENT DISCOUNT..... 23

200 SERVICE REQUIREMENTS.....24

200.1 OVERVIEW 24

200.2 CONDITION OF SERVICE..... 24

REFUSAL OF SERVICE..... 24

200.3 MEMBERSHIP FEE 25

200.4 ESTABLISHMENT FEE..... 25

200.5 SAME DAY SERVICE FEE 25

200.6 SERVICE TO RENTAL LOCATIONS 26

200.7 CONTINUITY OF SERVICE..... 26

200.8 RECORD OF INTERRUPTION 26

200.9 EMERGENCY OPERATIONS PLAN 27

200.9.5 CRITICAL CARE REGISTRY [EFFECTIVE JUNE 1, 2017] 27

200.10 METERING 27

200.11 ADVANCED METERING OPT OUT PROGRAM..... 29

200.12 METER TAMPERING; THEFT OF ELECTRIC SERVICE 29

200.13 METER TEST FEE 30

200.14 BILLING; LATE PAYMENT PROCESSING FEES; TRANSFERS OF DELINQUENT BALANCES; RECORDS RETENTION 30

200.15 PAYMENT 31

200.16 PAYMENT OPTIONS..... 31

200.17 UNDER-BILLING AND OVERBILLING 32

200.18 RESERVED..... 33

200.19 ON-BILL FINANCING PROGRAM..... 33

200.20 DISCONNECTION OF SERVICE..... 33

200.21 RECONNECTION FEE 35

200.22 RESIDENTIAL MEMBERS 60 YEARS OR OLDER 35

PEDERNALES ELECTRIC COOPERATIVE, INC. TARIFF AND BUSINESS RULES

200.23	ALTERNATIVE LANGUAGE REQUIREMENTS	35
200.24	REFUNDS	35
200.25	DISPUTED BILLS	35
200.26	MEMBER COMPLAINTS	35
200.27	RETURNED CHECK/DENIED BANK DRAFT/DENIED CREDIT CARD	36
200.28	RESERVED	36
200.29	MEMBER ACCESS TO COOPERATIVE RECORDS	36
200.30	SUBPOENA RESPONSE SERVICES	36
200.31	EASEMENT RELEASE APPLICATION	36
200.32	SWITCHOVER	36
300	LINE EXTENSION	38
300.1	OVERVIEW	38
300.2	PERMANENT OVERHEAD RESIDENTIAL, FARM, AND RANCH SERVICE	38
300.3	OTHER RESIDENTIAL, FARM, AND RANCH OVERHEAD SERVICE EXTENSIONS	39
300.4	OTHER OVERHEAD LINE EXTENSIONS	40
300.5	RESIDENTIAL DEVELOPMENTS	41
300.6	COMMERCIAL DEVELOPMENTS	43
300.7	UNDERGROUND SERVICE	43
300.8	TEMPORARY SERVICE	44
300.9	AREA LIGHTING	44
300.10	LINE CLEARANCE	44
300.11	OWNERSHIP OF DISTRIBUTION FACILITIES	44
300.12	NO REFUND OF AID TO CONSTRUCTION	44
300.13	RELOCATION OF FACILITIES	45
300.14	FORMULA FOR CALCULATING CONTRIBUTION IN AID OF CONSTRUCTION	45
400	CREDIT REQUIREMENTS AND DEPOSITS	47
400.1	CREDIT REQUIREMENTS FOR PERMANENT RESIDENTIAL APPLICANTS AND MEMBERS	47
400.2	CREDIT REQUIREMENTS FOR NON-RESIDENTIAL MEMBERS OR APPLICANTS	47
400.3	DEPOSITS AND GUARANTEE AGREEMENTS	47
400.4	DEPOSITS FOR TEMPORARY OR SEASONAL SERVICE AND FOR WEEKEND RESIDENCES	49
400.5	AMOUNT OF DEPOSIT	49
400.6	INTEREST ON DEPOSITS	49
400.7	RECORDS OF DEPOSITS	49
400.8	REFUNDING DEPOSITS AND VOIDING LETTERS OF GUARANTEE	50
400.9	RE-ESTABLISHMENT OF CREDIT	50
400.10	STATUS OF CREDIT AND DEPOSIT REQUIREMENTS	50
500	FEE SCHEDULE	51
600	INTERCONNECTION TARIFF	52
600.1	OVERVIEW	52
600.2	PARTIES TO THE INTERCONNECTION AGREEMENTS	52
600.3	LIMITATIONS OF DG LOCATION WITH REGARD TO THE COOPERATIVE'S METERS AND FACILITIES	52
600.4	DEFINITIONS	52
600.5	COST-BENEFIT AND TAX RESPONSIBILITY	53
600.6	COMPLIANCE WITH ALL LAWS, REGULATIONS AND STANDARDS	53
600.7	MEMBERS INITIAL REQUIREMENTS	53
600.8	COOPERATIVE REVIEW OF PROPOSED DG FACILITY	53
600.9	SALES TO AND PURCHASE FROM A DG FACILITY	54
600.10	ADDITIONAL REQUIREMENTS	54
600.11	OPERATION OF PARALLEL FACILITY	55

100 Rate Schedules

Overview

The Rate Schedules of the Tariff includes the various rate options for Pedernales Electric Cooperative, Inc. (the "Cooperative") and its members. The Cooperative intends to notify Members affected by a change in rates or schedule of classifications. The Cooperative will maintain copies of its rate schedules and rules in each office where applications are received and such copies are available for inspection. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify those fees specified in the Tariff for a limited duration to address the circumstances. After a good cause determination, the Chief Executive Officer must inform the Board of Directors at its next Regular Meeting of all actions taken.

General Provisions

Character of Service - The Cooperative will provide single, open-wye, or three-phase alternating current at one of its standard secondary voltage from existing facilities as described in the Cooperative's Service Policy.

1. Payment - Rates are subject to the payment policies as provided in the Cooperative's Service Policy.
2. Sales Taxes - Sales taxes, where applicable, will be charged to the Member in addition to the applicable rates. Members claiming exemption from sales taxes should provide an exemption form acceptable to the Cooperative.
3. Late Payment Processing Fee - The Cooperative may assess a \$20.00 processing fee to cover costs associated with delinquent notices. Bills to all non-residential accounts other than state agencies, may be assessed a Late Payment Processing Fee of \$20.00 or 6% of the unpaid balance, whichever is greater, if not paid by the due date.
4. Point of Delivery -
 - a. For residential service, the Point of Delivery is that point, as determined by the Cooperative, where the electric power and energy leaves the Cooperative electric delivery system and is delivered to the Member.
 - b. For all other services, the Point of Delivery is that point, as determined by the Cooperative, where the electric power and energy leaves the Cooperative electric delivery system, regardless of the metering location provided that the voltage service level at the metering location is the same as that at the delivery point.
5. Single Point Delivery - Rates are based upon service to the entire premises through a single delivery and metering point. Service to the same Member at other points of delivery shall be separately metered and billed under the applicable rate schedule.
6. Standard Voltage Designations - The Cooperative adopts the following standard voltages for distribution:

Single Phase	Three Phase
120/240 V	120/208 V (wye)
*7200 V	*120/240 V (delta)
*14400 V	277/480 V (wye)
	*480V (delta)
	*1328/2300 V (wye)
	*2300/4160V (wye)
	*7200/12470 V (Primary Metered)
	*14400/24900 V (Primary Metered)

*These voltages are available at Cooperative's discretion.

These voltage designations are nominal design voltages and the actual normal delivery voltages so far as practicable will be maintained within variations permitted by industry standards. Member should obtain from the Cooperative the phase and voltage of the service available before committing to the purchase of motors or other equipment.

7. **Power Factor Adjustment** - (Large Power and Industrial Power) – Capacity demand charges may be adjusted if the power factor is lower than ninety-seven percent (97%). Measured capacity (KW) may be increased by one percent (1%) for each one percent (1%) by which the power factor is less than ninety-seven percent (97%) lagging for a period of fifteen (15) consecutive minutes.
8. The following words and terms should have the following meanings, unless the context clearly indicates otherwise:
 - A. **Applicant**—A person who applies for service.
 - B. **Cooperative**—Pedernales Electric Cooperative, Inc., a Texas electric cooperative corporation organized and operating under the Electric Cooperative Corporation Act, Texas Utilities Code Annotated, Chapter 161, or a predecessor statute to Chapter 161 and operating under that chapter.
 - C. **Cooperative Facilities**—All the plant and equipment of the Cooperative, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in connection with the business of the Cooperative, including any construction work in progress.
 - D. **Commission**—The Public Utility Commission of Texas.
 - E. **Days**—Unless the context clearly indicates otherwise, the term “days” should refer to calendar days.
 - F. **Member**—Any person, firm, corporation or body politic that has applied for service and has paid the Cooperative's membership fee.
 - G. **Member class**—A group of members with similar electric use service characteristics (e.g., residential, commercial, industrial) taking service under one or more rate schedules.
 - H. **Municipality**—A city, incorporated village, or town, existing, created, or organized under the general, home rule, or special laws of the state.
 - I. **Payment arrangements**—A payment arrangement is any agreement between the Cooperative and a Member that allows a Member to pay the outstanding bill after its due date but before the due date of the next bill.
 - J. **Person**—Any legal or natural person.
 - K. **Premises**—A tract of land or real estate including buildings and other appurtenances thereon.
 - L. **Primary Account**—For a Member that has multiple accounts, the account of the Member in which the membership fee is assigned and also provides that Member's voting district.
 - M. **Qualifying cogenerator**—The meaning as assigned this term by 16 U.S.C. §796(18) (C).
 - N. **Qualifying facility**—A qualifying cogenerator or qualifying small power producer.
 - O. **Qualifying small power producer**—The meaning as assigned this term by 16 U.S.C. §796(17) (D).
 - P. **Rate**—Includes:
 1. Any compensation, tariff, charge, fare, toll, rental, or classification that is directly or indirectly demanded, observed, charged, or collected by the Cooperative for a service, product, or commodity described in the definition of electric utility in this section; and
 2. A rule, practice, or contract affecting the compensation, tariff, charge, fare, toll, rental, or classification.
 - Q. **Service**—The term includes any act performed, anything supplied, and any facilities used or supplied by the Cooperative in the performance of its duties.
 - R. **Tariff**—The schedule of the Cooperative containing all rates and charges stated separately by type of service and the rules and regulations of the Cooperative.
 - S. **Tenant**—A person who is entitled to occupy a dwelling unit to the exclusion of others and who is obligated to pay for the occupancy under a written or oral rental agreement.

100.1 Residential and Farm/Ranch - Conventional (R)

Applicability - Applicable to individually metered residences, farms, ranches, and their facilities.

Rates

Service Availability Charge: \$22.50 per month

Delivery Charge: \$0.02712 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Costs: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.1.1 Residential and Farm/Ranch - eBilling (R)

Applicability - Applicable to individually metered residences, farms, ranches, and their facilities that choose to receive a paperless bill.

Rates

Service Availability Charge: \$21.50 per month

Delivery Charge: \$0.02712 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.1.2 Residential and Farm/Ranch - eSaver (R)

Applicability - Applicable to individually metered residences, farms, ranches, and their facilities that choose to receive a paperless bill AND pay using the Bank Draft Payment Plan as defined in 200.13 Payment Options Bank Draft Payment Plan.

Rates

Service Availability Charge: \$20.00 per month

Delivery Charge: \$0.02712 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.1.3 Residential and Farm/Ranch - eDraft (R)

Applicability - Applicable to individually metered residences, farms, ranches, and their facilities that choose to pay using the Bank Draft Payment Plan as defined in 200.13 Payment Options Bank Draft Payment Plan.

Rates

Service Availability Charge: \$21.00 per month

Delivery Charge: \$0.02712 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff.

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.2 Water Well (W)

Applicability - Applicable to water wells used solely for small scale agricultural purposes. Agricultural purposes include livestock watering, crop irrigation, and fisheries. Irrigation for recreational purposes is served under other Tariffs.

Rates

Service Availability Charge: \$19.50 per month

Delivery Charge: \$0.02712 per kWh

Transmission Cost of Service The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.3 Small Power (SP)

Applicability - Applicable to all commercial and industrial members whose rolling 12-month average demand is less than 75 kilowatts and whose use is not covered by another specific rate schedule. Member owned street lighting will also be billed under the Small Power Rate.

Rates

Service Availability Charge: \$37.50 per month

Delivery Charge: \$0.02101 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.4 Large Power (LP)

Applicability - Applicable to all commercial and industrial members whose rolling 12-month average demand is 75 kilowatts but less than 10,000 kilowatts, and whose use is not covered by another specific rate schedule. In any rolling 12-month period if a Member's demand at any time is 75 kilowatts but less than 10,000 kilowatts, then the Member will be re-classified as LP for a period of at least 12-months until the demand is less than 75 kilowatts in any rolling 12-month period.

Rates

Service Availability Charge: \$150.00 per month

Capacity Demand Charge:

Secondary Level Service	\$3.38 per kW
Primary Level Service	\$3.31 per kW

The Member's Capacity Demand Charge will be calculated using the kW load established by Member during the 15-minute period of maximum use during the month but will not be less than 75kW.

Delivery Charge:

Secondary Level Service	\$0.00885 per kWh
Primary Level Service	\$0.00867 per kWh

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate Power Cost: The per kWh Flat Rate Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

OR

Time of Use Rate Power Cost: The per kWh Time of Use Rate Power Cost for power supply charges stated in the Power Cost Recover (PCR – Section 100.13) Tariff. [This time of use rate shall become effective for March 2017 usage with billing beginning April 1, 2017].

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

Secondary Rate – The Secondary Rate per kilowatt-hour shall be provided for those members receiving service at secondary voltages less than 6 kV at locations where the Cooperative owns the transformation facilities.

Primary Rate - Primary Rate per kilowatt-hour shall be provided for high voltage deliveries to the transformer at 6 kV or higher where the Member has paid for the transformation facilities or where deliveries to the Member are at 6 kV or higher. A delivery point meeting the above criteria shall be charged the Primary Rate whether the delivery is metered on the low side or the high side of the point of transformation. Meter readings from the low side transformation shall be adjusted for transformation losses.

100.5 Industrial Power (IP)

Applicability - Applicable to all commercial and industrial members whose firm demand is 10,000 kilowatts or more, and whose uses are not covered by another specific rate schedule.

Rates:

Service Availability Charge: \$1,000.00

Capacity Demand Charge: \$0.84000 per kW

Transmission Cost of Service: The transmission cost to serve the Member shall be the actual cost as determined by the Member's 4 Coincident Peaks (4CP) as defined by ERCOT and the applicable Transmission Cost of Service rate established by ERCOT and the Public Utility Commission of Texas.

Power Supply Charge: The cost of power to serve the Member, including capacity, ancillary services, delivery, energy, and fuel 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 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's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative. The Power Supply Charge does not include the Member's Transmission Cost of Service.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.6 Power Plant Start Power (PPSP)

Applicability - Applicable to all commercially operated power plants whose firm demand is 1,000 kilowatts or more, and whose uses are not covered by another specific rate schedule.

Rates

Service Availability Charge: \$1,500.00 per month

Transmission Cost of Service: The transmission cost to serve the Member shall be the actual cost as determined by the Member's 4 Coincident Peaks (4CP) as defined by ERCOT and the applicable Transmission Cost of Service rate established by ERCOT and the Public Utility Commission of Texas.

Power Supply Charge: The cost of power to serve the Member, including capacity, ancillary services, delivery, energy, and fuel 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 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's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.7 Interconnection Net Metering Up to 50 kW (IB)

Applicability - Applicable to members with Distributed Generation that is less than or equal to 50 kW AC. The Member must have an effective agreement for interconnection with the Cooperative according to Section 600 Interconnection Policy found in this Tariff. This tariff is applicable to all rate classes except Industrial and Power Plant Start Power.

Net Metering Service

Service shall be through a single meter, with two registers, that measure the Delivered Energy from PEC to the Member and the Received Energy from the Member to PEC.

Net Energy

On a monthly basis the Net Energy will be calculated by subtracting the Received Energy from the Delivered Energy.

Rates:

The Service Availability Charge shall apply as per the otherwise applicable tariff.

If Net Energy is 0 kWh or greater then the rates shall apply as per the otherwise applicable tariff with charges applied to Net Energy consumed at the premises.

If Net Energy is less than 0 kWh then the Net Energy shall be credited at a Net Energy Credit Rate equal to the sum of the Base Power Cost and the Power Cost Adjustment as per as the otherwise applicable tariff.

100.7.5 Interconnection Metering for Systems Greater than 50 kW and Less Than 400 kW

Applicability - Applicable to Small Power and Large Power members with Distributed Generation (DG) that is greater than 50 kW AC and equal to or less than 400 kW AC. The Member must have an effective agreement for interconnection with the Cooperative according to Section 600 Interconnection found in this Tariff and comply with the applicable provisions of Section 600 Interconnection. This tariff is applicable to Small Power and Large Power.

Metering Service

The Cooperative shall install two meters, owned and operated by the Cooperative, for Member. The first meter will record total DG production. The second meter will have two registers, one which records energy delivered (Delivered Energy) to Member, and another that records surplus energy returned to the Cooperative through DG system overproduction (Received Energy). The Cooperative shall have access to all of Member's meter data for billing purposes.

- Delivered Energy is the total energy delivered to a Member from PEC during the billing cycle (Member is billed based on Delivered Energy)
- Received Energy is the total surplus energy received by PEC during the billing cycle from the DG system overproduction (Member receives credit for Received Energy)

Rates

Small Power Service Availability Charge: \$47.50 per month

Large Power Service Availability Charge: \$175.00 per month

Delivered Energy rates shall apply as per the otherwise applicable tariff with charges applied to the Delivered Energy.

Capacity Demand Charge for Large Power members shall apply as per the otherwise applicable tariff.

Received Energy shall be credited to the member at the Wholesale Energy Credit Rate. The Wholesale Energy Credit Rate is equal to 85% of the sum of the Flat Rate Power Cost and the Power Cost Adjustment as per the otherwise applicable tariff.

System Wide Capacity Limit

Availability of this Tariff will be limited and capped to no more than 4 MW AC of system wide total DG nameplate capacity as determined by submission to the Cooperative of an application as required by Section 600 and fulfillment of all requirements of Section 600.

100.8 Renewable Energy Rider

Applicability - Applicable to all members, except Industrial and Power Plant Start Power, choosing to purchase electricity generated by 100% renewable energy sources.

Rates

Service Availability Charge: As per the otherwise applicable tariff.

Delivery Charge: As per the otherwise applicable tariff.

Transmission Cost of Service: As per the otherwise applicable tariff (Section 100.12).

Base Power Cost: The per kWh Flat Rate or Time of Use Rate (if applicable) Power Costs for power supply charges stated in the Power Cost Recovery (PCR – Section 100.13) Tariff.

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

Renewable Cost: Renewable Energy will be billed at \$.00043 per kWh for all kWh purchased each month. This amount is based on the Texas Renewable Energy Credits Index and will be changed periodically to reflect current index pricing.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.8.5 Cooperative Solar Rate [Effective February 1, 2018]

Applicability – This tariff is applicable to all rate classes except Water Well (100.2), Power Plant Start Power (100.6), Industrial Power (100.5), and Area Lighting (100.11). Additionally, this rate is not applicable to accounts enrolled in Time of Use rates (100.13) or distributed generation interconnection rates (100.7 and 100.7.5).

Conditions – The Cooperative will provide the Cooperative Solar Rate to any eligible Member, provided that:

- Member completes an enrollment application for the Cooperative Solar Rate and a separate application for each modification to enrollment status.
- Cooperative Solar Energy Units are available to assign to Member with allocation determined on a first-come, first-serve basis as defined by the date and time of application submission.
- Member agrees to limit the total quantity of assigned Cooperative Solar Energy Units, representing approximately 100 kWh per month, to no greater than the Member's average monthly energy usage during the previous 12 month period divided by 100 and rounded up to the next whole number. If Member does not have a 12 month energy usage history, then an estimated monthly average energy usage will be determined based on the information provided in the Member's application.
- Member agrees to a recurring 24 month enrollment commitment with an automatic renewal every 24 months until Member submits an application to terminate enrollment no later than 30 days prior to the end of the commitment period. Rate and modifications to enrollment status will be effective at the beginning of the Member's next billing cycle.
- Member agrees to a \$15 fee ("Cooperative Solar Rate Application Fee") for each enrollment application that is processed to successfully initiate, modify, or terminate Member's enrollment; excluding disconnection of service or moves by Member within the PEC system. Member may opt out early from a 24 month commitment period through the application process by agreeing to pay an additional \$1.00 for each assigned Cooperative Solar Energy Unit multiplied by the months remaining in the current 24 month commitment ("Cooperative Solar Rate Opt Out Fee").
- Member acknowledges the energy expressed as kWh for each Cooperative Solar Energy Unit assigned to the Member on a monthly basis is not a fixed amount, but a percentage of total production of Cooperative designated solar capacity and will vary monthly depending on PEC's total distributed solar project generation. Solar power generation is intermittent and the amount of energy produced varies from moment to moment and depends on many factors including the time of the year, the time of the day, and the weather. Therefore, Cooperative cannot guarantee or confirm the actual amount of energy Member will receive from this rate.
- Cooperative shall monitor and administer the Cooperative Solar Rate option and from time to time will inspect the effectiveness of the rate option to achieve its objective. Cooperative may elect to reduce a Member's assigned Cooperative Solar Energy Units, with notice to Member, if Member's solar energy allocation is over 110% of the Member's monthly average energy usage during the latest 12 month period.

Rates:

Delivered Energy: Delivered Energy (expressed in kWh) is the total energy delivered to a Member from PEC during the billing cycle.

Solar Energy: The Solar Energy (expressed in kWh) assigned to the Member is based on the percentage of the Member's Cooperative Solar Energy Units multiplied by the Cooperative's total designated solar energy (kWh) generation.

Net Energy: On a monthly basis the Net Energy (kWh) will be calculated by subtracting the Solar Energy from the Delivered Energy. If the Solar Energy is greater than the Delivered Energy then the Solar Energy shall be adjusted to equal the Delivered Energy and the Net Energy shall be zero (0). The Net Energy shall never be negative regardless of the Member's Cooperative Solar Energy Units.

Service Availability Charge: Service Availability Charge will apply as per the otherwise applicable tariff.

Delivery Charge: Delivery Charge will apply as per the otherwise applicable tariff with charges applied to both the Solar Energy and Net Energy.

Capacity Demand Charge: Capacity Demand Charge for Large Power Members shall apply as per the otherwise applicable tariff. The Capacity Demand Charge shall not be offset by the Solar Energy.

Transmission Cost of Service: Transmission Cost of Service will apply as per the otherwise applicable tariff (Section 100.12) with charges applied to Net Energy.

Base Power Cost and Power Cost Adjustment (PCA): Base Power Cost and PCA charges will apply as per the otherwise applicable tariff (Section 100.13) with charges applied to Net Energy. (Time of Use rate option is not applicable to the Solar Power Rate.)

Solar Power Charge: The per kWh cost incurred to cover the cost of the Member's Solar Energy. The rate for Solar Power is \$0.05608 per kWh and shall be applied to the Solar Energy.

Renewable Energy Rider: The Delivered Energy will be used to determine additional charges related to the Renewable Energy Rider as stated in the Renewable Energy Rider (Section 100.8).

Revenue Adjustment Factor (RAF): The Delivered Energy will be used to determine additional credits related to the RAF as stated in the Revenue Adjustment Factor (Section 100.18).

Temporary Rate Class Allocation: Cooperative shall reserve a percentage of available Cooperative Solar Energy Units for eligible Residential, Small Power, and Large Power Members for the first six (6) months following the effective date of this rate to facilitate the fair and orderly introduction of the rate option to all eligible Members. Following the end of the six (6) month period the available Cooperative Solar Energy Units shall be accessible to all eligible Members. The initial allocation of Cooperative Solar Energy Units shall be approximately 73 percent Residential, 12 percent Small Power, and 15 percent Large Power.

Unassigned Cooperative Solar Energy Units: The energy and other attributes associated with unassigned Cooperative Solar Energy Units of the designated solar energy supply shall be retained and used by Cooperative as a portion of PEC's power supply portfolio and any additional costs or benefits will be incorporated within the Cooperatives Cost of Power.

100.9 College Discount Rate (CDR)

Applicability - Applicable in conjunction with an otherwise applicable rate schedule for electric service to any facility of any four year state university, any state upper level educational institution, or non-profit upper level educational institution, or Texas State Technical College, or any state college or non-profit college. The provisions of the applicable rate schedule are modified only as shown herein.

Monthly Rate - In accordance with the terms of the applicable rate schedule, except that the amount due under the applicable rate schedule, minus the Power Cost Recovery and the Transmission Cost of Service applicable to the Member and excluding any adjustment factors, cost recovery factors, or specific facilities charges, and service fees, is reduced by 20%.

100.10 Military Base Discount Rate (MDR)

Applicability - Applicable in conjunction with an otherwise applicable rate schedule for electric service to any military base that the Cooperative serves as required by the Texas Utilities Code. Sec. 36.354. The provisions of the applicable rate schedule are modified only as shown herein.

Monthly Rate - In accordance with the terms of the applicable rate schedule, except that the amount due under the applicable rate schedule, minus the Power Cost Recovery and the Transmission Cost of Service applicable to the Member and excluding any adjustment factors, cost recovery factors, or specific facilities charges, and service fees, is reduced by 20%.

100.11 Area Lighting (AL)

Applicability - Applicable to outdoor dusk-to-dawn lighting where the Cooperative's existing facilities are suitable for the installation of the lighting. The Cooperative will own, furnish, install, and maintain lights on its existing facilities. If additional facilities are requested or required, the Member will pay installation costs. The Member will pay for costs of repairs, labor, and materials for damage due to vandalism. The Member will also pay for all costs of relocating any light. This rate applies only to Cooperative owned lighting. Only LED lamps are available. Upon failure of any currently owned Cooperative owned lighting, such lighting will be replaced with LED lighting and applicable charges will apply.

Any Member requesting a change from an existing, working lamp to LED lighting will pay \$250 for the first light and \$180 for each additional light change out requested by the same Member at the same basic location and at the same time.

This rate applies only to Cooperative owned lighting. Member owned street lighting is billed under 100.3 Small Power Rate.

Rates

Delivery Charges:

<u>Lamp Size</u>		<u>kWh per month</u>		<u>Charge per Lamp</u>
50-55 watt (comparable to 100 watt HPS)	LED	19	kWh/month	\$ 9.60
100-110 watt (comparable to 250 watt HPS)	LED	38	kWh/month	\$ 20.00
100 watt	HPS*	45	kWh/month	\$ 8.15
250 watt	HPS*	110	kWh/month	\$16.30
175 watt	Metal Halide*	78	kWh/month	\$ 8.15
175 watt	Mercury Vapor*	75	kWh/month	\$ 8.15

*These lamps will no longer be available for new installations effective May 1, 2014.

Transmission Cost of Service: The per kWh transmission costs for transmission cost of service charges as stated in the Transmission Cost of Service Tariff (Section 100.12).

Base Power Cost: The per kWh cost incurred to cover the cost of power and cost incurred in connection with the development and management of the Cooperative's power supply. Qualifying members may choose either Flat Rate Power Cost or Time of Use Rate Power Cost as defined in the Power Cost Recovery (PCR) Tariff.

Flat Rate: The per kWh Flat Rate Power Cost for power supply charges stated in the Power Cost Recovery (PCR) Tariff (Section 100.13).

Power Cost Adjustment: The charge per kWh for changes in power supply charges relative to the Base Power Cost and calculated in accordance with the Power Cost Recovery (PCR) Tariff.

The monthly bill shall be the sum of the above charges plus any applicable fees.

100.12 Transmission Cost of Service

Applicability - Applicable to all rate classes except Industrial and Power Plant Start Power which have separate provisions for transmission cost recovery.

Purpose of this Tariff - To recover the Cooperative's actual cost of service for Transmission Cost of Service as determined by the Electric Reliability Council of Texas (ERCOT) and the Public Utility Commission of Texas (PUCT).

Rate - The rate for Transmission Cost of Service is \$0.01158 per kWh.

100.13 Power Cost Recovery (PCR)

Purpose: To recover the Cooperative's actual cost of power purchased for the membership and other costs incurred in connection with the development and management of the Cooperative's power supply. Members have the option for the "Base Power Cost" of either Flat Rate Power Cost or Time of Use Rate Power Cost as defined below:

Flat Rate Power Cost

This tariff is applicable to all rates except Industrial and Power Plant Start Power which have separate provisions for power cost recovery. The Flat Rate Power Cost will be used for billing on Member accounts that do not choose Time of Use Rate Power Cost.

Purpose: To recover the Cooperative's actual cost of power purchased for the membership and other costs incurred in connection with the development and management of the Cooperative's power supply with a stable, flat rate based on the average cost of power. This rate option allows members to have the same rate for power regardless of the season or time of day.

The Flat Rate Power Cost per kWh for power supply charges is:

Secondary Level Service: \$0.06050 per kWh
 Primary Level Service: \$0.05929 per kWh

Time of Use Rate Power Cost

This option requires a twelve (12) month Member commitment. If a Member opts out of this Time of Use Rate Power Cost option prior to fulfilling the twelve (12) month commitment, the option will not be available to the Member for a period of twelve (12) months.

This tariff is applicable to all rates EXCEPT Area Lighting, Interconnections, Industrial and Power Plant Start Power.

Purpose: To recover the Cooperative's actual cost of power purchased for the membership and other costs incurred in connection with the development and management of the Cooperative's power supply based on the time of day and season it is purchased. This rate option allows members to have control over their purchased power cost by controlling when they use the power.

Seasons: Summer months are defined as June through September usage with billing in July through October. Non-Summer months are defined as October through May usage with billing in November through June.

The Time of Use Rate Power Cost per kWh for power supply charges are:

Secondary Level Service:

SEASON	TIME PERIODS	HOURS	\$/kWh
Summer	Super Economy	3:01 am – 5:00 am	\$0.0390
		11:01 pm – 3:00 am	

PEDERNALES ELECTRIC COOPERATIVE, INC. TARIFF AND BUSINESS RULES

Summer	Economy	5:01 am – 7:00 am	\$0.0436
Summer	Normal	7:01 am – 12:00 pm 8:01 pm – 11:00 pm	\$0.0536
Summer	Peak	12:01 pm – 2:00 pm 6:01 pm – 8:00 pm	\$0.0698
Summer	Super Peak	2:01 pm – 6:00 pm	\$0.1026
Non-Summer	Super Economy	2:01 am – 4:00 am	\$0.0376
Non-Summer	Economy	11:01 pm – 2:00 am 4:01 am – 5:00 am	\$0.0426
Non-Summer	Normal	8:01 am – 4:00 pm 7:01 pm – 11:00 pm	\$0.0586
Non-Summer	Peak	5:01 am – 8:00 am 4:01 pm – 7:00 pm	\$0.0677

Primary Level Service:

SEASON	TIME PERIODS	HOURS	\$/kWh
Summer	Super Economy	3:01 am – 5:00 am	\$0.03822
Summer	Economy	11:01 pm – 3:00 am 5:01 am – 7:00 am	\$0.04273
Summer	Normal	7:01 am – 12:00 pm 8:01 pm – 11:00 pm	\$0.05253
Summer	Peak	12:01 pm – 2:00 pm 6:01 pm – 8:00 pm	\$0.06840
Summer	Super Peak	2:01 pm – 6:00 pm	\$0.10055
Non-Summer	Super Economy	2:01 am – 4:00 am	\$0.03685
Non-Summer	Economy	11:01 pm – 2:00 am 4:01 am – 5:00 am	\$0.04175
Non-Summer	Normal	8:01 am – 4:00 pm 7:01 pm – 11:00 pm	\$0.05743
Non-Summer	Peak	5:01 am – 8:00 am 4:01 pm – 7:00 pm	\$0.06635

Power Cost Adjustment

For all kilowatt-hours sold to members taking service under all rates except Industrial and Power Plant Start Power, the monthly Power Cost Adjustment per kWh will be calculated as follows:

Basic PCA =	A - B + C
	kWhs

Secondary Level Service PCA = Basic PCA

Primary Level Service PCA = Basic PCA x 98%

Where:

PCA = Power Cost Recovery (expressed in \$ per kWh) to be applied to estimated energy sales for the billing period.

- A = Total estimated purchased electricity cost (excluding power cost for Industrial and Power Plant Start Power) including fuel for the billing period minus revenue generated from the Renewable Energy Rider.
- B = Total estimated purchased electricity cost (excluding power cost for Industrial and Power Plant Start Power and excluding Wind Power and/or Renewable Power costs applicable to members subscribing to Wind Power and/or Renewable Power) from all suppliers including fuel which are recovered through the Cooperative's Base Power Cost. The Base Power Cost is computed as:
- B = (D)(kWhs) minus revenue generated from the Renewable Energy Rider.
- D = Base Power Cost of \$0.06050 per kWh sold
- kWhs = Total estimated energy sales for billing period (excluding power cost for Industrial and Power Plant Start Power) minus 2% of the kWh sold for primary level service members.
- C = Adjustment to be applied to the current monthly billing to account for differences in actual purchased electricity costs and actual PCA revenues recovered in previous periods.

100.14 Wholesale Transmission Policy (WTS)

Availability - Planned and Unplanned Wholesale Transmission Service is available at all points where transmission facilities of adequate capacity and suitable voltage are available. Service under this rate schedule is not available until the expiration of the Facilities and Premises Lease and Operating Agreement between the Cooperative and the Lower Colorado River Authority.

Applicability - Wholesale Transmission Service is provided to any eligible Member as that term is defined in Substantive Rule 25.5 of the Public Utility Commission (PUC), and shall be provided in accordance with Substantive Rules 25.191 and 25.195. Any power delivered onto or received from the Cooperative's transmission system under this rate schedule must be delivered or received at 60,000 volts or higher, three phase, 60 hertz alternating current, onto transmission lines which have been made available for this service. This rate schedule is applicable to Planned and Unplanned service over any transmission facilities at 60,000 volts or higher owned by the Cooperative.

Conditions

The Cooperative will provide transmission service to any eligible Member, provided that:

- The eligible Member has completed an Application for Annual Planned Service, an Application for Monthly Planned Service, or a Request for Unplanned Transmission Service in accordance with the procedural and scheduling requirements of PUC Substantive Rule 25.198;
- If the Member has physical connections to the Cooperative system, the eligible Member has an executed Interconnection Agreement for Transmission Service, or has requested in writing that the Cooperative file a proposed unexecuted agreement with the Commission;
- Both the Cooperative and the eligible Member (or a designated agent) have completed installation of all equipment specified under the Interconnection Agreement for Transmission Service;
- The eligible Member has arranged for ancillary services necessary for the transaction.

Pricing - Charges for planned and unplanned transmission service shall be in accordance with PUC Substantive Rule 25.192.

Losses - A wholesale transmission eligible Member that uses transmission service shall compensate the Cooperative for energy losses resulting from such transmission service. The ERCOT transmission system independent system operator (ISO) under a method approved by the PUC shall calculate losses.

Resale of Transmission Rights - A wholesale transmission eligible Member is permitted to resell any and all transmission service rights contracted for by the transmission Member to other wholesale market participants, pursuant to PUC Substantive Rule 25.191. The transmission Member shall inform the transmission provider and obtain ISO approval for any resale of transmission service rights.

Construction of New Facilities - The Cooperative shall follow the procedures set forth in PUC Substantive Rule 25.198 in working with the transmission Member in order to identify required improvements to the transmission system. Upon receipt of a request for transmission service, the Cooperative shall perform a system security study to assess the ability of the existing transmission system to support the requested transmission service. The Member requesting such service shall be responsible for the costs of such system security study and any subsequent facilities studies performed in order to determine any necessary system improvements.

In the event that existing facilities are adequate to support the requested transmission service, the transmission Member will be assessed an amount equal to the cost of direct assignment facilities less any applicable depreciation.

In the event that existing facilities are inadequate to support the requested transmission service, the transmission Member may be required to provide a contribution in aid-to-construction of direct assignment facilities. In that event, the Cooperative will provide the eligible Member with a facilities study that will include an estimate of the contribution in aid-to-construction of direct assignment facilities to be charged to the transmission Member for the cost of any required facilities or upgrades, and the time required to complete such construction and initiate the requested service.

In the event that new facilities must be constructed to provide the requested transmission service, the transmission Member may be required to provide one or more of the following:

- A contribution in aid-to-construction for those facilities required to provide service to the transmission Member. This would apply in those cases the required facilities would be of use to the Cooperative after the transmission Member terminates service.
- The sum of installation and removal costs for the construction of facilities required for temporary service. This would apply in those cases where the duration of the service is less than a year and the required facilities would not be of use to the Cooperative after the transmission Member terminates service.
- The sum of installation and removal costs for the construction of facilities which would not be of use to the Cooperative after the transmission Member terminates service.

Voltage Support - The Cooperative will install whatever devices are necessary to maintain proper operating voltages on the Cooperative transmission system. However, should the need for such devices be directly or partially applicable to the addition of the transmission Member, then the cost of such devices will be included in any contribution in aid-to-construction required of that Member.

Power Factor - Each wholesale transmission Member shall maintain a power factor of 97% or greater at each point of interconnection. If the Member fails to maintain a 97% power factor, Pedernales Electric Cooperative will make the necessary improvements and shall charge the Member for the costs of such improvements.

Reliability Guidelines - To maintain reliability of the ERCOT transmission grid, the Cooperative or other designated agent or representative shall operate its transmission system in accordance with the ERCOT Operating Guides, National Electric Reliability Council (NERC) guidelines, and any guidelines of the ISO that may apply to the Cooperative's system.

Payment - Any charges due to the Cooperative under this rate schedule shall be billed in accordance with PUC Substantive Rule 25.202. The eligible Member shall make payment to the Cooperative in a manner consistent with the procedures and deadlines set forth in PUC Substantive Rule 25.202. Any late payments by Member or Member default shall be handled in accordance with PUC Substantive Rule 25.202.

Contract Term - Planned transmission service is available in multiples of one month. Planned transmission service for a period of less than 12 months shall be considered temporary. Unplanned transmission service may be available for periods of not less than one hour or more than 30 days.

100.15 Wholesale Distribution Service (WDS)

Availability - Planned and Unplanned Wholesale Distribution Service is available at all points where distribution facilities of adequate capacity and suitable voltage are available.

Applicability - Wholesale Distribution Service is provided to any eligible Member as that term is defined in Substantive Rule 25.5 of the Public Utility Commission (PUC), and shall be provided in accordance with Substantive Rules 25.191 and 25.195. Any power delivered onto or received from the Cooperative's distribution system under this rate schedule must be delivered or received at less than 60,000 volts, three phase, 60 hertz alternating current, onto distribution lines which have been made available for this service. This rate schedule is applicable to Planned and Unplanned service over any distribution facilities at less than 60,000 volts owned by the Cooperative. This rate schedule is applicable in addition to the Cooperative's Wholesale Transmission Service rate schedule.

Conditions

The Cooperative will provide distribution service to any eligible Member, provided that:

- The eligible Member has completed an Application for Annual Planned Service, an Application for Monthly Planned Service, or a Request for Unplanned Distribution Service in accordance with the procedural and scheduling requirements of PUC Substantive Rule 25.198;
- If the Member has physical connections to the Cooperative system, the eligible Member has an executed Interconnection Agreement for Distribution Service, or has requested in writing that the Cooperative file a proposed unexecuted agreement with the Commission;
- Both the Cooperative and the distribution Member (or a designated agent) have completed installation of all equipment specified under the Interconnection Agreement for Distribution Service;
- The eligible Member has arranged for ancillary services necessary for the transaction.

Pricing

Charges for planned and unplanned wholesale distribution service shall be in accordance with PUC Substantive Rule 25.192. Charges for Wholesale Distribution Service are applicable in addition to any charges for Wholesale Transmission Service that may also be required by the Member. Charges for planned Wholesale Distribution Service shall be computed as follows:

$$INV \times FRC = WDSC$$

Where:

INV = The investment necessary to provide Wholesale Distribution Service while maintaining the reliability, voltage, safety, and economic operation of the Cooperative's system. This investment amount will be recalculated from time to time at the discretion of the Cooperative to reflect any changes in the value of the facilities investment.

FRC = The Cooperative's monthly fixed rate charge as it may change from time to time as determined by the Cooperative. The monthly fixed rate charge factor for Cooperative-owned facilities for which no contribution in aid-to-construction has been made by the Member shall include a capital cost component. The monthly fixed rate charge factor for Cooperative-owned facilities for which the Member has made a contribution in aid-to-construction shall not include a capital cost component.

WDSC = The monthly charge for Wholesale Distribution Service

Charges for unplanned Wholesale Distribution Service shall be sufficient to ensure the recovery of losses.

Losses - A Wholesale Distribution eligible Member that uses distribution service shall compensate the Cooperative for energy losses resulting from such distribution service. Losses shall be calculated by the ERCOT distribution system

independent system operator (ISO) under a method approved by the Public Utility Commission, or by the Cooperative if the ISO does not provide losses for a distribution transaction of the nature requested by the Member.

Resale of Distribution Rights - A Wholesale Distribution eligible Member is permitted to resell any and all distribution service rights contracted for by the distribution Member to other wholesale market participants, pursuant to PUC Substantive Rule 25.191. The distribution Member shall inform the distribution provider and obtain ISO approval for any resale of distribution service rights.

Construction of New Facilities - The Cooperative shall follow the procedures set forth in PUC Substantive Rule 25.198 in working with the distribution Member in order to identify required improvements to the distribution system. Upon receipt of a request for distribution service, the Cooperative shall perform a system security study to support the requested distribution service. The Member requesting such service shall be responsible for the costs of such system security study and any subsequent facilities studies performed in order to determine any necessary system improvements.

In the event that existing facilities are adequate to support the requested distribution service, service will be priced in accordance with Pricing above.

In the event that existing facilities are inadequate to support the requested distribution service, the distribution Member may be required to provide a contribution in aid-to-construction of direct assignment facilities. In that event, the Cooperative will provide the eligible Member with a facilities study that will include an estimate of the contribution in aid-to-construction of direct assignment facilities to be charged to the distribution Member for the cost of any required facilities of upgrades, and the time required to complete such construction and initiate the requested service.

In the event that new facilities must be constructed to provide the requested distribution service, the distribution Member may be required to provide one or more of the following:

- A contribution in aid-to-construction for those facilities required to provide service to the distribution Member. This would apply in those cases the required facilities would be of use to the Cooperative after the distribution Member terminates service.
- The sum of installation and removal costs for the construction of facilities required for temporary service. This would apply in those cases where the duration of the service is less than a year and the required facilities would not be of use to the Cooperative after the distribution Member terminates service.
- The sum of installation and removal costs for the construction of facilities which would not be of use to the Cooperative after the distribution Member terminates service.

Voltage Support - The Cooperative will install devices as necessary to maintain proper operating voltages on the Cooperative distribution system. However, should the need for such devices be directly or partially attributable to the addition of the distribution Member, then the cost of such devices will be included in any contribution in aid-to-construction required of that Member.

Power Factor - Each wholesale distribution Member shall maintain a power factor of 97% or greater at each point of interconnection. If the Member fails to maintain a 97% power factor, Pedernales Electric Cooperative will make the necessary improvements and shall charge the Member for the costs of such improvements.

Reliability Guidelines - To maintain reliability of the ERCOT transmission grid and/or the Cooperative's distribution system, the Cooperative, or its designated agent or representative, shall operate the Cooperative's distribution system in accordance with the ERCOT Operating Guides, National Electric Reliability Council (NERC) guidelines, any guidelines of the ISO that may apply to the Cooperative's system, and the distribution planning criteria of the LCRA Association of Wholesale Members Power Supply and Transmission Planning Committee published in 1992.

Payment - Any charges due to the Cooperative under this rate schedule shall be billed in accordance with PUC Substantive Rule 25.202. The eligible Member shall make payment to the Cooperative in a manner consistent with the procedures and deadlines set forth in PUC Substantive Rule 25.202. Any late payments by Member or Member default shall be handled in accordance with PUC Substantive Rule 25.202.

Contract Term - Planned distribution service is available in multiples of one month. Planned distribution service for a period of less than 12 months shall be considered temporary. Unplanned distribution service is available for periods of not less than one hour or more than 30 days.

100.16 Facilities Rental Rider (FRR)

Applicability - This service is available under the Cooperative's Facilities Rental Service Agreement, which Agreement shall include a minimum seven (7) year term. This service applies to Cooperative-owned distribution facilities that are in excess of the standard facilities and services that the Cooperative would normally provide under the applicable tariff schedule(s).

Rental Charges - The monthly rental charge for facilities owned, operated, and maintained by the Cooperative ("Monthly Facilities Rental Charge"), will be derived by multiplying the total calculated installed cost of the facilities to be rented (determined at the time of the signing of the Facilities Rental Service Agreement) times 1.3% ("Monthly Facilities Rental Rate"). The Member is responsible for the Monthly Facilities Rental Charge beginning with the effective date of initiating service or the date installation of the facilities was completed if the facilities were installed after the execution of the Facilities Rental Agreement, whichever occurs later.

$$\text{Monthly Facilities Rental Charge} = \text{calculated installed cost} \times 0.013 \text{ (Monthly Facilities Rental Rate)}$$

Terms of Payment - Member shall pay the Monthly Facilities Rental Charge on a monthly basis, and the Monthly Facilities Rental Charge will be due and payable with the Member's monthly bill for electric service.

Terms and Conditions - Should Cooperative-owned facilities require replacement during the term of the Facilities Rental Service Agreement, the total calculated installed cost of the facilities will be recomputed and increased or decreased, as the case may be by: (1) the total installed cost of the replacement equipment, including the costs of acquiring the replacement equipment, less (2) the installed cost of the original equipment.

Should the Member request that any of the rented facilities installed, owned, maintained or operated by the Cooperative be removed, or upon termination of service at a location without a new Member willing to continue a contract to rent the facilities. The Cooperative will remove such facilities within a reasonable amount of time at the Member's expense.

100.17 Franchise Fee

Municipal franchise fee charges are applicable to all members served by the Cooperative inside a municipal corporate boundary, and are in addition to any other charges made under the Cooperative's tariff for electric service. All current and future franchise fees not included in base rates shall be separately assessed for Member service provided within the municipality where the franchise fee is authorized. The portion of the franchise fee not included in base rates will appear on the bill as a separate line item. The franchise fee is calculated by multiplying the franchise fee percentage assessed by the municipality by the charges for energy and power sold and such other authorized charges to a Member (excluding any taxes and other authorized exclusions). Applicable sales tax may be assessed on franchise fee amounts.

100.18 Revenue Adjustment Factor

Applicability - This tariff is applicable to all rates except Industrial and Power Plant Start Power.

For all kilowatt-hours sold to members taking service under all rates except Industrial and Power Plant Start Power, the Revenue Adjustment Factor (RAF) will be calculated as follows:

$$\text{RAF} = -1 \times (\text{R} / \text{S}) \text{ expressed in } \$ / \text{kWh}$$

Where:

R = Estimated revenues in excess of those needed for the time period

S = Forecasted or average kilowatt-hour sales for the time period being adjusted

The RAF is then multiplied by the kWhs billed to each Member in a billing cycle and applied to a Member's bill for the particular time period subject to adjustment. Application of the RAF is intended to decrease a Member's bill.

Use of the RAF and the timeframe for application of the RAF to a Member's bill, including the starting and end dates for RAF, must be approved by the Board of Directors by adoption of a Board Resolution.

100.19 Economic Development Discount

Purpose – To encourage economic development, provide economic stimulus, and increase the competitiveness of communities in their economic development pursuits within the LCRA service territory, PEC will pass through an economic development discount available through the LCRA to qualifying members.

Applicability – Subject to the conditions listed and confirmation of availability from LCRA, this discount is applicable to Large Power and Industrial Members with minimum LCRA supplied energy usage of 2,200,000 kWh to a single site in the LCRA service territory.

Conditions – To be eligible to receive an economic development discount, a Large Power or Industrial Member must meet the following requirements:

- Member must have added a new location for electric service within LCRA's service territory or expanded an existing location for electric service with addition of a new metering point within the LCRA's service territory;
- Service location must have appropriate metering equipment to record actual energy consumption;
- Member must have received economic development assistance, including but not limited to, tax incentives or grants, from cities, counties or other regional entities (member must provide executed agreements that address various economic impact metrics such as job creation and investment requirements); and
- Member must enter into a five-year agreement with PEC in a form approved by PEC which may include, among other provisions, terms regarding minimum load requirements, purchase power requirements, metering data submission, economic impact reporting, and repayment provisions for failure to meet conditions of discount.

Pricing – After the first year of Member's minimum annual usage of 2,200,000 kWh served by PEC through energy purchases from LCRA at a single site within the LCRA service territory and each year thereafter for no more than three (3) years, the discount will apply to reduce PEC's total costs for providing service to the new service location in the amounts and terms described in an agreement entered into between PEC and the Member. The amount of the economic development discount for the Member will be equivalent to the reduction that PEC receives from LCRA minus any associated cost of implementation.

Availability – Discount available for no more than three (3) years.

200 Service Requirements

200.1 Overview

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

General information about the Cooperative will be accessible online to all new members or as requested.

The Service Requirements are subject to change at any time by the Board of Directors.

200.2 Condition of Service

The Cooperative's Service Policy applies to all locations within its service area, according to the type of service delivered and subject to the provisions of the Cooperative's rates and Line Extension Policy and any other applicable provisions of the Tariff. These rules will not relieve in any way the Cooperative or Member from any of its duties under the laws of the State of Texas or the United States.

The Cooperative will provide electric service to all applicants within its service area, provided the following conditions are met:

- The applicant pays a membership fee and any other amounts, including any deposits, required by the Cooperative's rules, including amounts required by the Credit Requirements and Deposits herein.
- The applicant is not delinquent on a past or present account.
- The applicant accepts the terms for membership and rules for service, and provides the Cooperative with information reasonably required to verify the identity of the applicant.
- The applicant grants the Cooperative easement rights and acquires all necessary easements from adjacent landowners on a form acceptable to the Cooperative for its facilities. All costs and expenses, if any, related to the acquisition of easements to serve the applicant shall be the responsibility of the applicant, including the Cooperative's costs and expenses if the Cooperative participates in the acquisition of the easements through condemnation proceedings.
- Service can be supplied from existing Cooperative lines or the Cooperative can build new power lines according to the Line Extension Policy.
- Pedernales Electric Cooperative provides standard electric service from overhead lines. Underground electric service may be available at the sole option of the Cooperative. Service is provided at one rate, at one point of delivery, with one meter, at one of the Cooperative's standard voltages. Non-standard service may be available if requested but only if the Cooperative determines such service is feasible, and the applicant agrees to pay any additional cost to the Cooperative for delivering such non-standard service.
- The applicant provides a meter loop conforming to the Cooperative's standards and the National Electrical Code.
- The applicant's installation and equipment must not be hazardous or of such type that satisfactory service cannot be given.
- Temporary service will be billed on the applicable rate. Before the Cooperative provides temporary service, the applicant must pay the estimated cost to the Cooperative of installing and removing these facilities.

Timing of Service:

- Applications for new electric service not involving line extensions or construction of new facilities should be connected no later than three working days after the Member or applicant has met the credit requirements as referenced in the rule herein entitled Credit Requirements and Deposits and complied with all applicable state and municipal regulations.

Refusal of Service

- 1) **Acceptable reasons to refuse service**—The Cooperative may refuse to serve an applicant or Member for any of the reasons identified below.

- A. **Applicant's facilities inadequate**—The applicant's or Member's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given, or the applicant's facilities do not comply with all applicable state and municipal regulations.
 - B. **Violation of the Cooperative's tariffs**—The applicant or Member fails to comply with the Cooperative's tariffs pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others. The Cooperative should provide the applicant notice of such refusal and afford the applicant a reasonable amount of time to comply with the Cooperative's tariffs.
 - C. **Intent to deceive**—The applicant or Member applies for service at a location where another Member received, or continues to receive, service and the Cooperative bill is unpaid at that location, and the Cooperative can prove the change in identity is made in an attempt to help the other Member avoid or evade payment of the Cooperative bill. An applicant or Member may request a supervisory review as referenced in the rule entitled Member Complaints if the Cooperative determines that the applicant or Member intends to deceive the Cooperative and refuses to provide service.
 - D. **For indebtedness**—The applicant or Member owes a debt to the Cooperative for the same kind of service as that being requested.
 - E. **Refusal to pay a deposit**—Refusing to pay a deposit if applicant or Member is required to do so under the Credit Requirements.
 - F. **Refusal to pay on a guarantee agreement**—Refusal by the guarantor on any account to pay the amount agreed to under a guarantee agreement.
- 2) **Applicant's or Member's recourse**—If the Cooperative has refused to serve an applicant or Member, the Cooperative will inform the applicant of the reason for its refusal and the applicant may file a complaint as referenced in the rule entitled Member Complaints.
- 3) **Insufficient grounds for refusal to serve**—The following are not sufficient cause for refusal of service to an applicant:
- A. Delinquency in payment for service by a previous occupant of the premises to be served; or
 - B. Failure to pay the bill of another Member at the same address except where the change in identity is made to avoid or evade payment of the Cooperative bill.

200.3 Membership Fee

Membership in the Cooperative is required for service. Each legal or natural person that is a Member of the Cooperative shall be entitled to a single membership or joint membership, no matter how many meters that Member has. A membership fee will be required with the initial application for service and establishes the primary account. Membership fees will be set by the Cooperative's Board of Directors and shall be held until the last service connection for a Member is terminated. At that time the membership fee will be applied to Member's open account or applied to the outstanding account balance of the last open account. Termination of membership does not release a Member or Member's estate from debts owed the Cooperative. Additional fees may be required for each additional service connection requested by the Member, but no further membership fee shall be charged and no additional memberships shall be created by the creation of additional service connections by the Member.

200.4 Establishment Fee

A non-refundable \$75.00 fee will be collected for connecting service and/or transferring account information. This fee is in addition to the membership fee and other fees required. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify the Establishment Fee for a limited duration to address the circumstances. After a good cause determination, the Chief Executive Officer must inform the Board of Directors at its next Regular Meeting of all actions taken under this section.

200.5 Same Day Service Fee

If service is available at a location and a request for same day connection is made on Monday through Friday or on Saturdays or Sundays, a \$250.00 non-refundable fee will be collected. This fee is in addition to the membership fee, establishment fee, deposits, if any, and other fees required.

Service reconnections after non-payment will not be performed after normal business hours unless the Cooperative determines otherwise. In the event any service reconnections after non-payment are performed after normal business hours on Monday through Friday or on Saturdays or Sundays, a non-refundable same-day service fee of \$250 will be required to be paid prior to reconnection. This fee is in addition to the past due balance, reconnection fee, deposits and any other fees required. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify the Same Day Service Fee for a limited duration to address the circumstances. After a good cause determination, the Chief Executive Officer must inform the Board of Directors at its next Regular Meeting of all actions taken under this section.

200.6 Service to Rental Locations

The Cooperative's preference is for each individual residential unit in apartment complexes, condominiums, or mobile home units, to be separately metered, and shall be subject to all related provisions and fees herein.

Owners, operators, landlords or lessors who provide lease or rented units and require continued service during periods of vacancies shall be required to make application for electric service for each leased or rented unit and shall be subject to the conditions of service set forth in the Tariff. Owners, operators, landlords or lessors shall be obligated to pay for such service but shall not be required to pay an establishment fee each time a vacancy occurs.

Any tenant may request disconnection of service for his or her account and electric service will be disconnected as soon as reasonably possible. If an account is established as provided in this section by an owner, operator, landlord or lessor, those persons shall be obligated to pay for service during any periods of vacancy.

Upon sale of property, the owners, operators, landlords or lessors are responsible for notifying the Cooperative to update the account status. Until a change is requested, the owners, operators, landlords or lessors is responsible for all bills at the locations.

200.7 Continuity of Service

The Cooperative endeavors to provide continuous electric service but makes no guarantees against interruptions. The Cooperative will make all reasonable efforts to prevent interruptions of service. When interruptions occur, the Cooperative will re-establish service within the shortest possible time. If continuous service at a constant voltage is required, the Member must install the necessary equipment. Should members require three-phase service, they shall be responsible for providing and operating such protective equipment as is necessary to protect their equipment from damage resulting from loss of power to one or more phases. If electric service is interrupted, the Member must determine if the equipment and wiring is functioning properly. Cooperative personnel will not make repairs to members' wiring or equipment

The Cooperative shall not be liable for damages occasioned by interruption, failure to commence delivery, or voltage, wave form, or frequency fluctuation caused by interruption or failure of service or delay in commencing service due to accident to or breakdown of plant, lines, or equipment, strike, riot, act of God, order of any court or judge granted in any bona fide adverse legal proceedings or action or any order of any commission or tribunal having jurisdiction; or, without limitation by the preceding enumeration, any other act or things due to causes beyond its control, to the negligence of the Cooperative, its employee, or contractors, except to the extent that the damages are occasioned by the gross negligence or willful misconduct of the Cooperative.

200.8 Record of Interruption

The Cooperative will keep records of sustained interruptions. Where practical, the Cooperative will keep a complete record of all momentary interruptions. These records will show the type of interruption, the cause for the interruption, the date and time of the interruption, the duration of the interruption, the number of members interrupted, the substation identifier, and the transmission line or distribution feeder identifier. The Cooperative will retain records of interruptions for five years.

200.9 Emergency Operations Plan

The Cooperative will maintain an emergency operations plan as required by the Commission for cooperatives.

200.9.5 Critical Care Registry [EFFECTIVE JUNE 1, 2017]

The Cooperative intends to maintain a critical care registry (“Critical Care Registry”) for its residential members that use life-sustaining equipment powered by electricity. To be placed on the Critical Care Registry, Members must meet one of the following designations recognized by the Cooperative and present an approved registry request form signed by a licensed physician.

(a) Chronic Condition Member - A residential member who has a person permanently residing in his or her home who has been diagnosed by a physician as having a serious medical condition that requires an electric-powered medical device or electric heating or cooling to prevent the impairment of a major life function through a significant deterioration or exacerbation of the person's medical condition. The designation or re-designation is effective for one year.

(b) Critical Care Member - A residential member who has a person permanently residing in his or her home who has been diagnosed by a physician as being dependent upon an electric-powered medical device to sustain life. The designation or re-designation is effective for two years.

If either serious medical condition is diagnosed or re-diagnosed by a physician as a lifelong condition, the designation is effective until such time as the person with the medical condition no longer resides in the home.

Registration on the Critical Care Registry does not guarantee priority restoration in the event of interruption. The Cooperative endeavors to provide continuous electric service but makes no guarantees against interruptions. The Cooperative will make all reasonable efforts to prevent interruptions of service. The Cooperative encourages Members placed on the Critical Care Registry to have an alternate plan in place to ensure the continuity of any life support system. If a member does choose to use a back-up generator, that member is responsible for the safe installation, use, and maintenance of any back-up power. In accordance with Section 200.7, the Cooperative shall not be liable for any damages.

Registration on the Critical Care Registry does not relieve a Member of the obligation to pay for electric service, and service may be disconnected for failure to pay in accordance with Section 200.20. However, the Cooperative may offer to Members on the Critical Care Registry:

- Additional notice of possible disconnect
- Due date extensions and payment arrangements (if qualified)
- Member Assistance Program information (if qualified)

200.10 Metering

Meter Requirements

- A. Use of meter—All electricity consumed or demanded by the Member will be charged for by meter measurements, except where otherwise provided for by the applicable rate schedule or contract.
- B. Installation—The Cooperative will provide, install, own, and maintain all meters necessary for the measurement of electric energy to its members.
- C. Standard type—All meters will meet industry standards. Special meters used for investigation or experimental purposes are not required to conform to these standards.
- D. Location of meters—
 1. Meters and service switches in conjunction with the meter will be installed in accordance with the latest revision of American National Standards Institute (ANSI), Incorporated, Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing, and inspection, where such activities will cause minimum interference and inconvenience to the Member.
 2. Member will provide, without cost to the Cooperative, at a suitable and easily accessible location:
 - a. Sufficient and proper space for installation of meters and other apparatus of the Cooperative;

- b. Meter board;
 - c. Meter loop;
 - d. Safety service switches when required; and
 - e. An adequate anchor for service drops.
3. Where the meter location on the Member's premises is changed at the request of the Member, or due to alterations on the Member's premises, the Member will provide and have installed at their expense, all wiring and equipment necessary for relocating the meter.
4. Accuracy requirements—
 - a. No meter that violates the test calibration limits as set by the American National Standards Institute, Incorporated will be placed in service or left in service. Whenever on installation, periodic, or other tests, a meter is found to violate these limits, it will be adjusted or exchanged.
 - b. Meters will be adjusted as closely as practicable to the condition of the limits as set by the American National Standards Institute.

Meter Records

The Cooperative will keep the following records:

- A. Meter equipment record—The Cooperative will keep a record of all of its meters, showing the Member's address and date of the last test. For special meters used for investigation or experimental purposes, the record will state the purpose of the investigation or experiment.
- B. Records of meter tests—All meter tests will be properly referenced to the meter record provided in this section. The record of each test made on Member's premises or on request of a Member will show the identifying number and constants of the meter, the standard meter and other measuring devices used, the date and kind of test made, who conducted the test, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

Meter Readings

Each meter should clearly indicate the units of service for which charge is made to the Member. Meters shall be read at regular monthly intervals.

Meter Testing

Meter tests prior to installation—No permanently installed meter should be placed in service unless its accuracy has been established. If any permanently installed meter is removed from actual service and replaced by another meter for any purpose, it should be properly tested and adjusted before being placed back in service unless such meter has been tested in the last 12 months.

Testing of meters in service—Meter test periods for all types of meters will conform to the latest edition of American National Standards Institute, Incorporated (ANSI) Standard C12 unless specified otherwise by the Cooperative.

Meter tests on request of Member—

1. The Cooperative will, upon the request of a Member, test the accuracy of the Member's meter.
2. If the meter has been tested by the Cooperative, or by an authorized agency, at the Member's request, and within a period of two years the Member requests a new test, the Member will be charged a meter test fee as outlined in the Cooperative's Tariff. After that time period, the Cooperative will make the test.
3. Following the completion of any requested test, the Cooperative will advise the Member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Adjustments Due to Meter Errors

If any meter is found to be not in compliance with the accuracy standards, readings will be corrected and adjusted bills may be rendered for the period of overbilling or under-billing as described herein in "Bill Payment and Adjustments."

No refund is required from the Cooperative except to the Member last served by the meter prior to the testing.

If a meter is found not to register for any period, the Cooperative should estimate and charge for units used, but not metered for the period of under-billing as described herein in "Under Billing and Over Billing." The estimated charge should be based on amounts used under similar conditions during the period preceding or subsequent to the period the meter was found not to register, or during corresponding periods in previous years.

200.11 Advanced Metering Opt Out Program

The Advanced Metering Opt-Out Program only applies to residential accounts (other than residential accounts with interconnection agreements or landlord accounts). A Member may request to opt out from use of the Cooperative's advanced meter at a service location. The Cooperative may grant such request subject to certain qualifications and conditions.

Meter Exchange Fee

A \$75 meter exchange fee will be charged for any meter exchange at any service location already equipped with an advanced meter. Any Member participating in the Advanced Metering Opt Out Program for new service locations will be required to pay the Cooperative's establishment fee as outlined in the Cooperative's Tariff for each location.

Automatic Payments

To participate in the Advanced Metering Opt Out Program, a Member must authorize automatic payments through either the Credit Card Payment Plan or Bank Draft Payment Plan. If a Member cancels authorization for automatic payments, then the meter will be exchanged for an advanced meter and the Member will be unable to participate in the Advanced Metering Opt Out Program.

Meter Readings

Each Member participating in the Advanced Metering Opt Out Program will be charged a fee of \$30.00 each month for non-standard manual meter readings by the Cooperative and for processing of such readings for each service location. An additional \$1 per mile charge for service locations further than 20 miles from nearest area office will apply.

If for any month a meter is unable to be read by the Cooperative, the monthly fees will apply and the usage for that month will be estimated based on the Member's previous usage. Any under-billing or overbilling resulting from such estimate will be adjusted after the meter is read.

If a Member has paid bills for service for 12 consecutive residential billings (i) without having service disconnected for nonpayment of a bill, (ii) without having been delinquent in the payment of bills more than once, and (iii) has not had more than one returned check, a Member participating in the Advanced Metering Opt Out Program may then request a quarterly read schedule. In this event, the Member participating in the Advanced Metering Opt Out Program will be charged a fee of \$45.00 each quarter for non-standard manual meter readings by the Cooperative and for processing of such readings for each service location. An additional \$1 per mile charge for service locations further than 20 miles from nearest area office will apply.

For any Member on a quarterly read schedule, the monthly fees will still apply and the usage for each month will be estimated based on the Member's previous usage. Any under-billing or overbilling resulting from such estimate will be adjusted after the meter is read quarterly.

200.12 Meter Tampering; Theft of Electric Service

A Member's account will be debited a \$500.00 fee plus estimated energy consumed where meter tampering occurs.

Meter tampering, bypass, or diversion will be defined as tampering with the Cooperative's meter or equipment, bypassing the same, or other instances of diversion, such as physically disorienting the meter; attaching objects to the meter to divert

or bypass service; inserting objects into the meter; and other electrical and mechanical means of tampering with, bypassing, or diverting electrical service. Meter tampering is a criminal offense.

The Cooperative may also file criminal charges against any person, including any of its Members, when there is evidence of (i) interference with and/or tampering with any of the Cooperative's equipment, including, without limitation, one or more of its meters (Section 28.03 of the Penal Code of the State of Texas) or any other circumstance listed in this Tariff; and/or (ii) theft of electric service (Section 31.04 of the Penal Code of the State of Texas).

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

200.13 Meter Test Fee

Members may receive a meter test on request at no charge once every two years. Any additional meter tests requested by the Member within two years of the first test where the meter has been tested and found to be in compliance according to American National Standards Institute (ANSI) Standards will be charged a \$55.00 Meter Test Fee. The Meter Test Fee will not be charged to the Member if the meter is out of compliance with the applicable ANSI Standard of plus or minus two percent (2%).

200.14 Billing; Late Payment Processing Fees; Transfers of Delinquent Balances; Records Retention

Bills will be sent to members each month. Bills are due upon receipt and will become delinquent if not paid by the due date shown on the bill. The bill provided to the Member will include the payment due date which will not be less than 16 days after issuance. The issuance date is either the postmark date on the envelope or the date posted to the Member's account on the Cooperative's web site. Each Member's bill will include all the following information:

1. The due date of the bill;
2. The number and kind of units metered; or
3. The word "Estimated" prominently displayed to identify an estimated bill. (The Cooperative may submit estimated bills for good cause provided that an actual meter reading is unavailable).

Bills are not considered paid until Pedernales Electric Cooperative receives the payment; a payment is delinquent if not received at the Cooperative by the due date. Residential accounts not paid by the due date may be assessed a \$20.00 Late Payment Processing Fee.

If the Member has an outstanding balance due from another account in the same Member class, then the Cooperative may transfer that balance to the Member's current account. Notwithstanding the foregoing, if the Member has an outstanding balance due from an account in a different Member class that is a sole proprietorship, then the Cooperative may transfer that balance to the Member's current account. The delinquent balance and specific account will be identified as such on the bill.

Any governmental entity asserting eligibility to be billed under Texas Government Code Chapter 2251 may file a written notice asserting their eligibility, and the Cooperative will determine whether the entity is subject to that statute. Bills to all non-residential accounts other than state agencies or other governmental entities that the Cooperative has approved as being subject to Texas Government Code Chapter 2251, commercial accounts may be assessed a Late Payment Processing Fee of \$20.00 or 6% of the unpaid balance, whichever is greater, if not paid by the due date. All bills rendered to state agencies or other governmental entities that the Cooperative has approved as being subject to Texas Government Code Chapter 2251, shall be in accordance with that statute. Bills will be calculated under the appropriate rate schedule. If the Cooperative finds that an account is being billed incorrectly, the account will be corrected immediately for future billings and the Member will be notified.

The Cooperative will maintain monthly billing records for each account for at least three years after the date the bill is mailed. The billing records will contain sufficient data to reconstruct a Member's billing for a given month. Copies of a Member's billing records may be obtained by that Member on request.

200.15 Payment

All bills for electric service are payable via any of the payment options offered by the Cooperative. The Cooperative may discontinue service to members who fail to pay for service within seven days from the date of the delinquent notice. Members may make arrangements with the Cooperative for payment of delinquent accounts so that they will not be disconnected for non-payment. If the Cooperative dispatches a service representative to collect a delinquent bill, a \$75.00 **Collection Fee** will be included in the collection amount. Failure to pay a service representative the full amount owed at the time may result in immediate disconnection of service. If the Member's service is disconnected, a reconnection will not be made until the account is paid in full and a reconnection fee together with a deposit is paid and when applicable a same day service fee. Under no circumstances will the Cooperative be liable for losses incurred resulting from the disconnection of service due to a Member's failure to pay for electrical service or any other reason for disconnection required by the Cooperative's policies.

200.16 Payment Options

- Deferred Payment Arrangement - The Cooperative may offer a deferred payment plan to any residential Member who has expressed an inability to pay and meets the criteria specified in the Cooperative's Tariff.

A deferred payment arrangement is an agreement between the Cooperative and the Residential, Farm/Ranch, or Water Well Member by which a delinquent account may be paid in installments that extend beyond the due date of the next bill. A Member who is unable to pay his or her delinquent account and has not been delinquent no more than once in the last 12 months may be offered a deferred payment arrangement. The Member must pay the current bill each month, plus the agreed upon portion of the amount deferred. Failure to fulfill the terms of the agreement will result in discontinuance of service and all amounts owed become due immediately. The Cooperative may decline to offer this plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant further extension of credit or if the Member has failed to provide complete, accurate and verifiable identification information when requested by the Cooperative.

A deferred payment plan may be established in person or by telephone, and all deferred payment plans will be put in writing.

- A. Every deferred payment plan will provide that the delinquent amount may be paid in negotiable installments.
- B. Every deferred payment plan offered by the Cooperative:
 1. Will state in boldface type the following: "If you are not satisfied with this agreement or if agreement was made by telephone, and you feel this document does not reflect your understanding of that agreement, contact the Cooperative immediately. If you do not contact the Cooperative, you may give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement.";
 2. Will state the length of time covered by the plan;
 3. Will state the total amount to be paid under the plan;
 4. Will state the specific amount of each installment;
 5. Will allow the Cooperative to disconnect service if the Member does not fulfill the terms of the deferred payment plan, and will state the terms for disconnection;
 6. Will be provided to the Member;
 7. Should allow either the Member or the Cooperative to initiate a renegotiation of the deferred payment plan if the Member's circumstances change substantially during the time of the deferred payment plan; and
 8. Should be limited to one deferred agreement per year.

- Fixed Payment Plan – This plan allows a Member to pay a fixed amount per month based on twelve months total billings divided by 366 days. A true-up and recalculation will be required no more than every 12 months. Upon such true-up and recalculation, any overpayments or underpayments shall either be credited or debited from the account as applicable. The amount of any underpayment will be added to the amounts due. The amount of any overpayment

will be deducted from any amounts owed. This plan is applicable to the Residential and Farm/Ranch and Water Well rates only. Members may enroll anytime with participation beginning with the first bill rendered after enrollment. The plan may be cancelled by either the Member or the Cooperative upon notification to the other party. Upon cancellation the accumulated balance of the Member's account shall become due and payable. The Cooperative may decline to offer the Fixed Payment Plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant payment plans or if the Member has failed to provide complete, accurate and verifiable identification information when requested by the Cooperative.

- Average Payment Plan – Under this plan, the Member's monthly payment is the rolling 12 months average. This plan is applicable to the Residential and Farm/Ranch and Water Well rates only. Members may enroll anytime with participation beginning with the first bill rendered after enrollment. The plan may be cancelled by either the Member or the Cooperative upon notification to the other party. Upon cancellation the accumulated balance of the Member's account shall become due and payable. The Cooperative may decline to offer the Average Payment Plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant payment plans or if the Member has failed to provide complete, accurate and verifiable identification information when requested by the Cooperative.
- Credit Card Payment Plan – The credit card payment plan allows residential members to pay their utility bills with an accepted credit card using one of the following options:
 1. To pay automatically, a Member can make arrangements by contacting a Cooperative representative and requesting a payment plan be set up, or
 2. To pay as needed, a Member can contact a Cooperative representative and initiate the payment transaction. The Member will need to indicate the amount of the payment and provide necessary credit card information and authorization.
- Bank Draft Payment Plan – The bank draft payment plan allows members to authorize the Cooperative to draft their checking accounts monthly. The amount drafted will be for:
 - a. the current bill due; or
 - b. the payment due as agreed on the Deferred Agreement.

The Member's checking account will be drafted automatically on the bill due date or on the due date of the Deferred Agreement contract.

200.17 Under-billing and Overbilling

If charges are found to be higher than authorized in the Cooperative's tariffs or if the Cooperative fails to bill a Member for services, then a billing adjustment will be calculated by the Cooperative and applied in the manner described herein.

A. Under-billing

If the Member's account is under-billed, the Cooperative may back bill the Member for the amount that was under-billed no more than six (6) months from the date the error is discovered unless the under-billing is a result of theft of service by the Member.

A deferred payment arrangement may be available for any periods of under-billing except for such periods resulting from meter tampering, bypass, diversion or other similar circumstance.

B. Overbilling

1. If the Member's account is overbilled because of billing, rate assignment, processing errors or other similar circumstance, the Cooperative will adjust the Member's bill accordingly for the entire period of overbilling.

2. If the Member's account is overbilled because of failure to receive meter readings, faulty metering equipment or other equipment error, the Cooperative will adjust the Member's bill accordingly for the entire period of overbilling.

200.18 RESERVED

200.19 On-Bill Financing Program

Any consumer loan to a Member with the Cooperative must be in accordance with the Cooperative's On-Bill Financing Program Manual, any underwriting guidelines, including the payment of any fees listed in such guidelines required for payment by Member and as listed in the Fee Schedule herein, and only after execution of the Cooperative's required loan and security agreements.

200.20 Disconnection of Service

Voluntary Member Disconnection:

The Member in whose name the account is established may request disconnection and the Cooperative will disconnect the service on the date requested by the Member or no later than three (3) working days after such date.

Cooperative Disconnection

If the Cooperative chooses to disconnect a Member for any of the reasons in this Tariff the Cooperative will follow this Tariff or modify any disconnection procedures in ways that are more favorable to the Member.

Disconnection with notice—Service may be disconnected after proper notice for any of these reasons:

- Failure to pay a bill for Cooperative services or make deferred payment arrangements by the date of disconnection and the account is delinquent;
- Failure to comply with the terms of any payment agreement;
- Failure to pay a deposit when required;
- Failure to pay a guaranteed amount when required
- Violation of the Cooperative's rules on using service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Member and the Member is provided with a reasonable opportunity to remedy the situation; or
- Paying a delinquent account balance with a check returned to the Cooperative for insufficient funds.

Disconnection without prior notice—Service may be disconnected without prior notice for any of the following reasons:

- Where a known dangerous condition exists. Where reasonable, given the nature of the hazardous condition, the Cooperative should post a notice of disconnection and the reason for the disconnection at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected;
- Where the Cooperative discovers that service is being obtained in any unlawful manner;
- If required by any authority having authority to order such disconnection (where possible with prior notice);
- Where service is connected without authority;
- Where service was reconnected without authority after termination for nonpayment; or
- Where there has been tampering with the Cooperative's equipment or evidence of theft of service.

Disconnection prohibited—Service may not be disconnected for any of the following reasons:

- Delinquency in payment for the Cooperative's service by a previous occupant of the premises;

- Failure to pay disputed charges, except for the required average billing payment, until a determination as to the accuracy of the charges has been made by the Cooperative and the Member has been notified of this determination; or
- Failure to pay charges arising from an under-billing due to any faulty metering, unless the under-billing arises from a theft of service by a Member .

Disconnection due to Cooperative abandonment—The Cooperative will not abandon a Member or a certified service area without written notice to its members and all similar neighboring utilities, and approval from the Commission.

Disconnection of energy assistance clients—The Cooperative cannot terminate service to a delinquent residential Member for a billing period in which the Cooperative receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment to continue service.

Disconnection during extreme weather—The Cooperative will not disconnect a residential Member on a day when: The previous day's highest temperature did not exceed 32 degrees Fahrenheit, or the temperature is predicted to be at or below that level for the next 24 hours, according to the local National Weather Service (NWS) reports for the designated territory; or
The previous day's highest temperature exceeded 100 degrees Fahrenheit, or the temperature is predicted to be at or above that level for the next 24 hours, according to the local National Weather Service (NWS) reports for the designated territory.

Disconnection during weekend—The Cooperative will not disconnect a residential Member on a weekend day.

Disconnection of master-metered utilities—When a bill for Cooperative services is delinquent for a master-metered utility:

- The Cooperative should send a notice to the Member as required. At the time such notice is issued, the Cooperative should also inform the Member that notice of possible disconnection will be provided to the utility's members in three days if payment is not made before that time.
- At least three days after providing notice to the Member and at least four days before disconnecting, the Cooperative should post a minimum of five notices in conspicuous areas of the utility or other public places. Language in the notice should be in large type and should read: "Notice to members of (name and address of the utility): the Cooperative's service to this utility is scheduled for disconnection on (date), because (reason for disconnection)."

Disconnection of Members registered on the Critical Care Registry [Effective June 1, 2017]—Disconnection of residential members registered on the Critical Care Registry will be as provided in Section 200.9.5.

Disconnection notices—Any disconnection notice issued by the Cooperative to a Member will:

- Not be issued before the first day after the bill is due, to enable the Cooperative to determine whether the payment was received by the due date.
- Be a separate mailing or hand delivered with a stated date of disconnection with the words "disconnection notice" or similar language prominently displayed.
- Have a disconnection date that is not less than seven days after the notice is issued.
- Be in English and in Spanish.
- Include a statement notifying the Member that if they need assistance paying their bill by the due date, or are ill and unable to pay their bill, they may be able to make some alternate payment arrangement, establish a deferred payment plan, or possibly secure payment assistance. The notice will also advise the Member to contact the Cooperative for more information.

200.21 Reconnection Fee

The Cooperative will assess a \$100.00 fee for reconnection after non-payment. Service reconnections after non-payment will not be performed after normal business hours unless the Cooperative determines otherwise. In the event any service reconnections after non-payment are performed after normal business hours on Monday through Friday or on Saturdays or Sundays, a non-refundable same-day service fee of \$250 will be required to be paid prior to reconnection. This fee is in addition to the past due balance, reconnection fee, deposits and any other fees required. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify the Reconnection Fee for a limited duration to address the circumstances. After a good cause determination, the Chief Executive Officer must inform the Board of Directors at its next Regular Meeting of all actions taken under this section.

200.22 Residential Members 60 Years or Older

Upon request of a residential Member 60 years of age or older, the Cooperative will extend without penalty the payment date of a bill of that Member until the 25th day after the date the bill is issued. The Cooperative may require the Member requesting an extension to present reasonable proof that the individual is 60 years of age or older.

200.23 Alternative Language Requirements

The Cooperative will provide information in English and Spanish and any other language as the Cooperative deems necessary.

200.24 Refunds

Upon closure of an account, the Member will be issued a refund check for credit balances of \$5.00 or more. Refunds on credit balances of less than \$5.00 will only be issued upon verbal request of the account holder. Any amounts not refunded will be transferred in accordance with the Cooperative's Unclaimed Property Policy.

200.25 Disputed Bills

In the event of disputes between a Member and the Cooperative regarding any bill for electric service, the Cooperative will investigate the circumstances and report the results to the Member. If the dispute remains, the Member may meet with a Cooperative representative to resolve it. If unresolved, the Member will be advised of the Member Complaints procedures of the Cooperative. If the Member files a complaint with the Cooperative, a Member's service will not be disconnected for nonpayment of the disputed portion of the bill before the Cooperative completes its supervisory review and informs the Member of its determination. Members are obligated to pay billings that are not disputed and not under review.

200.26 Member Complaints

The Cooperative has established procedures to address all complaints from members. A Member or applicant may file a complaint in person, by letter, or by telephone with the Cooperative regarding rates, service, or other issues.

If a complaint cannot immediately be resolved by the employee receiving the complaint, the information collected by the employee will be forwarded to a supervisor or manager. The supervisor or manager will review the complaint and related information, and the complainant will be advised of the results within five working days of the complaint. Complaints will be investigated and the results will be reported to the complainant. If dissatisfied, the complainant may file a written complaint with either the Cooperative's Chief Executive Officer or designee of the Chief Executive Officer. Under their direction, a three-member management team will review the complaint. The complainant will be advised of the results within 10 days of the written complaint.

Service should not be disconnected before completion of the review. If the Member chooses not to participate in a review, the Cooperative may disconnect service, provided proper notice has been issued under the disconnect procedures.

200.27 Returned Check/Denied Bank Draft/Denied Credit Card

The Member's account will be debited for the amount of each returned check, plus a \$30.00 fee. If an account is setup for automatic payment by credit card or bank draft and then is denied, the Member's account will be debited for the denied amount, plus a \$30.00 fee. If the Member pays a delinquent account balance with a check returned to the Cooperative for insufficient funds the account will be disconnected.

200.28 RESERVED

200.29 Member Access to Cooperative Records

A Member, on written request, is entitled to examine and copy (at the Member's expense), at any reasonable time, the books and records of the PEC.

Requests for information are restricted to members of PEC, and the Cooperative reserves the right to charge a fee to the Member as stated in its Fee Schedule, payable in part or wholly in advance, if fulfilling the request will require large amounts of employee time.

This Tariff other than the fees as provided in the Fee Schedule herein is subject to the terms of the Open Records Policy of the Cooperative.

All Member requests for information should be directed to: Open Records Request
Pedernales Electric Cooperative, Inc.
P.O. Box 1, Johnson City, TX 78636

200.30 Subpoena Response Services

When records are requested by subpoena, a fee of \$40.00 per hour may be charged to the requestor.

200.31 Easement Release Application

The Cooperative will assess a \$300.00 fee for processing an Application for Easement Release. A Member may contact PEC for an Application for Easement Release.

200.32 Switchover

In cases where electric service is being provided to a Member by the Cooperative and the Member requests disconnection of electric service to obtain electric service from another utility certified to the area, the following rules shall apply:

The Member shall request the Cooperative, in writing, to disconnect electric service from the desired location.

The Member shall pay the following charges prior to disconnection:

- A charge of \$100.00 to cover labor and transportation costs involved in the disconnection.
- A charge for distribution facilities rendered idle as a result of the disconnection and not useable elsewhere on the system based on the original cost of such facilities less accumulated depreciation, salvage, and any previous contribution in aid-to-construction.
- A charge for the labor and transportation costs involved in removing any idle facilities. This charge will only apply if removal is requested by the disconnecting Member, if removal is required for safety reasons, or if the salvage value of the facilities does not exceed such removal costs.
- All charges for electric service up to the date of disconnection.

Upon payment of the above charges, the Member shall receive a paid receipt from the Cooperative for presentation to the connecting utility.

The Member shall be advised that the connecting electric utility may not provide service to said Member until such connecting utility has evidence that the Member has paid all charges provided for under this tariff.

300 Line Extension

300.1 Overview

The Cooperative extends its distribution facilities to members or applicants in accordance with the following line extension provisions. Each provision classifies the predominant type of electric service/use anticipated on Member's or applicant's premises and specifies conditions under which a line extension may be made. For each location where electric service is desired, Member's or applicant's classification involves an evaluation of the type of installation and its use. Member's or applicant's classification shall be determined by the Cooperative. In the event that the classification assigned by the Cooperative is incorrect based upon Member's or applicant's subsequent actual use of the installation then the Cooperative may alter Member's or applicant's classification and apply the correct line extension classification, making appropriate adjustment to the Member's or applicant's account or billing.

Service will not be provided and no work to extend service to the applicant's or Member's delivery point shall be performed until the applicant or Member has paid any and all fees or charges associated with the provision of service. This includes membership fees, establishment fees, facilities charges, deposits, and/or system impact fees.

Requests for new service requiring construction, such as line extensions, should be completed within 90 days of payment, unless delayed by a cause beyond the reasonable control of the Cooperative, or unless a different time period agreed to by the Member or applicant and the Cooperative; and if the Member or applicant has met the credit requirements or has made satisfactory payment arrangements for construction charges, and has complied with all applicable state and municipal regulations.

If facilities must be constructed, the Cooperative should contact the Member or applicant and give the Member or applicant an estimated completion date and an estimated cost for all charges to be incurred by the Member or applicant.

The Cooperative should explain any construction cost options such as sharing of construction costs between the Cooperative and the Member or applicant following the assessment of necessary line work.

The Line Extension provisions are subject to change by the Board of Directors.

300.2 Permanent Overhead Residential, Farm, and Ranch Service

The Cooperative will construct a new overhead distribution extension consistent with the Cooperative's current specifications to serve a permanent residential installation under the following provisions:

A. Applicability

To qualify as an extension to a permanent residential installation the location where Member or applicant is requesting service shall comply with the following provisions:

1. be a permanent installation. To qualify as a permanent location, the applicant will either have a definite plan for or has commenced the construction of the building or other permanent facilities stipulated in the application by installing a water well or slab/foundation.
2. be a single or multi-family residence.
3. if located within a residential subdivision or multi-family residential development, the developer must have complied with the residential development 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 (as defined in Section 100(4) of this Tariff). Member or applicant shall install and be solely responsible for wiring of the installation and all service

entrance wiring through the weatherhead and the meter base to customer's main disconnect switch or service center.

C. Facilities Charge

1. The Cooperative shall estimate the cost for the line extension based on current unit material and labor costs according to the Cooperative's current standards and specifications. The estimated cost is 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.
2. There will be no charge to the Member or applicant for the first \$2000.00 of estimated cost of making the extension and such amount shall be the Cooperative's allowable investment. The Member or applicant shall be required to pay as a contribution in aid of construction the estimated cost of the extension in excess of the Cooperative's allowable investment.

D. Routing

1. The line extension shall be constructed along the most direct route. Any deviation from the most direct route shall be at the Cooperative's sole discretion.
2. In all cases, the line extension shall be constructed on dedicated rights-of-way or on a route covered by an easement on the Cooperative's standard form.
3. Any and all right-of-way clearing shall be performed to the Cooperative's specifications. The estimated cost of the clearing shall be included in the estimated cost of the line extension. At the option of the Member or applicant and with the agreement of the Cooperative, the applicant may perform the clearing or hire separately a contractor to perform the clearing, provided it is performed in a timely manner and to the Cooperative's specifications.

E. System Impact Fee

A non-refundable charge of \$200.00 will be collected for extending service to a new location. This amount represents a contribution in aid of construction toward the Cooperative's System Cost associated with substation and distribution backbone facilities and is in addition to any amount due for the line extension.

300.3 Other Residential, Farm, and Ranch Overhead Service Extensions

The Cooperative will construct a new extension of its overhead system to serve other residential installations under the following provisions:

A. Applicability

To qualify as an extension to other residential class installations, the location where the Member or applicant is requesting service shall:

1. be a residence or dwelling unit not qualifying as a permanent installation; or
2. be a barn, shop, water well, gate opener, or other service that is not used for any commercial purpose.

B. Point of Delivery

The Cooperative extends its electric facilities only to the Point of Delivery (as defined in Section 100(4) of this Tariff). Member or applicant shall install and be solely responsible for wiring of the installation and all service entrance wiring through the weatherhead and the meter base to Member's or applicant's main disconnect switch or service center.

C. Facilities Charge

1. The Cooperative shall estimate the cost for the line extension based on current unit material and labor costs for the same type of construction in the most recent data available. The estimated cost is 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.
2. There will be no charge to the Member or applicant for the first \$800.00 of estimated cost of making the extension and such amount shall be the Cooperative's allowable investment. The Member or applicant shall be required to pay as a contribution in aid of construction the estimated cost of the extension in excess of the Cooperative's allowable investment.

D. System Impact Fee

A non-refundable charge of \$200.00 will be collected for extending service to a new location. This amount represents a contribution in aid of construction toward the Cooperative's System Cost associated with substation and distribution backbone facilities and is in addition to any amount due for the line extension.

300.4 Other Overhead Line Extensions

The Cooperative will construct a new extension of its overhead distribution system to serve all other permanent installations under the following provisions:

A. Applicability

To qualify for an extension under this section 300.4, the location where Member or applicant is requesting service shall:

1. be a permanent installation, and
2. be classified as commercial, industrial, or public building installation; and
3. if located within a commercial development, the developer must have complied with the commercial development 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 (as defined in Section 100(4)) of this Tariff). Member or applicant shall install and be solely responsible for wiring of the installation on Member's or applicant's side of the point of delivery.

C. Facilities Charge

1. The Cooperative shall estimate the cost for the line extension based on current unit material and labor costs for the same type of construction. The estimated cost is 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, overhead, and all other costs attributable to the extension.
2. A contribution in aid of construction for provision of electric service is required if the estimated annual revenue from Member or applicant, excluding purchased power cost, is less than the revenue requirement associated with the Cooperative's system and direct investment costs of providing service to Member or applicant. The amount of the customer's contribution in aid of construction shall be determined by the following formula. If the amount calculated below is zero or negative, no contribution in aid of construction is required for provision of electric service.

Cooperative's Allowable Investment (CAI) = Annual Revenue / Return Factor

Total Project Cost (TPC) = Direct Cost + System Cost
Member's/Applicant's Contribution = TPC - CAI

Where:

Direct Cost = The cost of distribution or transmission facilities necessary to provide electric service to the Member or applicant, determined by estimating all necessary expenditures, including, but not limited to overhead distribution facilities, metering and rearrangement of existing electrical facilities. This cost includes only the cost of the above-mentioned facilities that are necessary to provide service to the particular customer requesting service and does not include the costs of facilities necessary to meet future anticipated load growth, or to improve the service reliability in the general area for the benefit of existing and future customers.

System Cost = Cooperative's average allocated investment costs and rate base items associated with transmission backbone facilities, distribution substation facilities and distribution backbone facilities as determined from the Cooperative's most recent cost of service study.

Annual Revenue = Annual revenue from the Member or applicant computed using estimated billing units less the estimated annual cost of purchased power.

Return Factor = The fixed charge rate, including O&M, Depreciation, Taxes and a return on investment, necessary to convert an annual revenue stream to the total revenue associated with the life of the project.

3. For members or applicants with loads greater than 1000 kW the Cooperative shall exercise prudent judgment in determining the conditions under which a specific line extension will be made and shall view each case individually. The Cooperative shall analyze costs to provide service and base facilities charges on the rate of return generated by the rate design. Special contractual arrangements will be made with the Member or applicant and may include contribution in aid of construction in advance of construction or as a monthly facilities charge, special contract minimums, special service specifications, special contract terms greater than 5 years, or other arrangements or conditions deemed reasonable by the Cooperative. All amounts paid to the Cooperative as contribution in aid of construction shall be non-refundable.

D. Contract Term

Where a line extension is required to provide service, the Cooperative may require Member or applicant to sign an Agreement For Electric Service or a term of up to 5 years, provided, however, that an agreement for a longer term may be required in accordance with Section 300.4(C)(3) above.

E. System Impact Fee

A non-refundable charge of \$200.00 will be collected for extending service to a new location. This amount represents a contribution in aid of construction toward the Cooperative's System Cost associated with substation and distribution backbone facilities and is in addition to any amount due for the line extension.

300.5 Residential Developments

A. Applicability

The Cooperative will construct a new extension of its overhead distribution system to provide service within residential developments under the following conditions:

1. The development is a platted, recorded residential subdivision to be primarily used or developed for permanent single or multi-family residential dwelling units;
2. The land developer shall comply with all applicable provisions of the Service Rules and Regulations of the Cooperative;
3. All Cooperative facilities will be installed in recorded public or private easements along streets or public rights-of-way deemed suitable by the Cooperative;
4. Cooperative facilities will not be installed along the backs of lots or in areas deemed inaccessible by the Cooperative;
5. The developer provides at no cost to the Cooperative:
 - (a) Right-of-way easements and covenants on owner's property that are satisfactory to the Cooperative;
 - (b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
 - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.

B. Facilities Charge

1. The Cooperative shall estimate the cost for the electric facilities adequate to serve all prospective members in the development. These facilities will include primary and secondary conductors and any electric equipment, and devices required for service to the development. The estimate for these facilities will be based on current unit material and labor costs for the same type of construction in the most recent data available. The estimated cost is 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 estimate will not include costs for voltage transformation or services.
2. The developer will bear the cost of the facilities, identified in paragraph B.1 of this section, required for the distribution system within the subdivision. Each Member or applicant for residential service within the subdivision shall receive service under the provisions of section 300.2 of this policy and shall be responsible for any contributions in aid of construction and any system impact fees required by the provision of such service.
3. Any commercial facilities associated with the development such as offices, clubhouses, laundry facilities, etc. shall be separately considered under the provisions of section 300.4. The developer or Member or applicant for such service shall be responsible for any contributions in aid of construction and any system impact fees required by the provision of such service.
4. Any undue cost experienced by the Cooperative during the construction of the distribution system within the subdivision to placement of obstacles by the developer or home builder will be paid by the developer, home builder, Member or applicant.
5. All amounts paid to the Cooperative for construction shall be non-refundable.
6. All Cooperative facilities required within the limits of the subdivision will be installed on a schedule set by the Cooperative based on the necessary load requirements but prior to the provision of service to individual applicants.

300.6 Commercial Developments

A. Applicability

The Cooperative will construct a new extension of its overhead distribution system to provide service within commercial developments where developer requests electric infrastructure to be installed in advance of development of a site or lot by a Member or applicant, under the following conditions:

1. The development is a platted commercial development with sites or lots for multiple members or applicants to be primarily used or developed for permanent commercial, industrial, retail, and/or office use;
2. The land developer shall comply with all applicable provisions of the Service Rules and Regulations of the Cooperative;
3. The developer will provide at no cost to the Cooperative:
 - (a) Right-of-way easements and covenants on owner's property that are satisfactory to the Cooperative;
 - (b) Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.), notice of construction start dates and construction schedules that are reasonable and industry typical for the type of work to be performed.
 - (c) Survey points for grades, lot corners, street ROW, and other locations reasonably necessary for installation of the electric system.
4. Line extensions to each Member or applicant within the development will be according the terms and conditions in section 300.4 – Other Line Extensions.

B. Facilities Charge

1. The Cooperative shall estimate the cost of the electric infrastructure adequate to serve all prospective members within the development. This will be determined in advance of development of a site or lot by a Member or applicant based on current unit material and labor costs for the same type of construction. The estimated cost is 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, overhead, and all other costs attributable to the extension.
2. The developer will be required to pay in advance 100% of the estimated actual cost of such electric infrastructure. The Cooperative at its sole discretion may accept other guarantee or contractual arrangement in lieu of cash payment.

300.7 Underground Service

A. The following provisions for the extension of underground service to individual members/applicants or residential or commercial developments are in addition to the standard provisions relating to overhead service.

B. Underground Service to Individual Members or Applicants:

Underground electric primary and secondary lines to serve members or applicants may, by special arrangement with the Cooperative, be provided subject to the above conditions. In addition, when receiving underground service, the Member will be responsible for providing all trench and associated backfill, concrete work associated with padmounted gear, and all conduit and its installation.

C. Underground Service to Subdivisions or Commercial Developments:

Where a developer requests the construction of underground electric facilities within a platted subdivision or commercial development, the developer shall bear the cost of installing the underground electric system adequate to serve all prospective members who may require electric service from said underground system. The developer shall be responsible for providing all trench and associated backfill, concrete work associated with padmounted gear, and all conduit and its installation.

- D. Where the design of the development is such that switchgear are required for proper and safe operation of the distribution system, the developer will bear the cost of the switchgear. Where switchgear are installed solely for the convenience of the Cooperative, such as to provide flexibility in serving load outside of the development, then the Cooperative shall bear the cost of such switchgear.
- E. In all cases, underground secondary service lines from a meter to the Member's main disconnect switch or service center shall be installed and maintained by the Member and the Cooperative shall have no responsibility or liability in connection therewith.
- F. For Commercial/Industrial/multi-family residential underground services where the meter or a bank of meters is to be located on the building or adjacent to the load, the service (cable, conduit, and trench) from the transformer to the load will be provided by the Member/developer.
- G. In those cases where the number of service cables will exceed the number of termination points on the secondary terminal of the transformer, a tap box (per PEC Specifications) is to be provided by the Member/developer. The Member/developer will provide the entire service, from the transformer to the tap box to the load. The number of cables from the transformer to the tap box shall not exceed the number of termination points on the secondary terminal of the transformer.

300.8 Temporary Service

In any circumstance where the need for electric service is temporary the Member or applicant shall pay 100 % of the estimated cost of construction plus the cost of removal.

300.9 Area Lighting

The Cooperative will provide secondary service conductor to serve an area lighting fixture without charge to the Member or applicant. Member or applicant will pay in advance as non-refundable aid to construction the estimated cost of any additional facilities.

300.10 Line Clearance

The Cooperative will assist in the transportation of oversized objects through the area or in the construction of buried pipelines or other objects with the Cooperative's right-of-way by temporarily de-energizing Cooperative facilities or temporarily relocating or raising electric facilities provided that the Cooperative receives compensation for all costs incurred.

Costs incurred shall include labor, materials used, engineering, right of way acquisition and clearing, and vehicles or equipment used including mileage if applicable.

300.11 Ownership of Distribution Facilities

The Cooperative shall retain the ownership of all material and facilities installed by the Cooperative, developer, or applicant for the distribution of electric energy whether or not the same have been paid for by the Member except those services installed past the point of delivery as defined in Section 100 General Provisions, 4. Point of Delivery. All lines and facilities constructed or installed by the Cooperative are the property of the Cooperative.

300.12 No Refund of Aid to Construction

Payments necessary for construction of facilities which will be used to deliver electric energy to the applicant or Member are contributions in aid of construction and are not refundable.

300.13 Relocation of Facilities

- A. The Cooperative will relocate its facilities on Member's or applicant's premises at Member's or applicant's request provided Member or applicant has (1) provided a satisfactory easement for the new facilities; and (2) paid in advance the estimated cost of the removal of the old facilities plus the estimated cost for the construction of the new facilities.
- B. If the Cooperative determines it is necessary to move its facilities because Member or applicant fails or refuses to allow the Cooperative access to Cooperative's facilities at any time then Member or applicant may be billed the estimated cost of relocation.
- C. The Cooperative will replace an existing overhead electric line with an underground line upon request of a Member or applicant, land owner, or other party, provided, however, that Cooperative has
 - 1. determined in its sole discretion that such replacement does not adversely impact electric service reliability or the Cooperative's operating efficiencies,
 - 2. received an adequate easement(s), in a form acceptable to the Cooperative, for the construction, installation, maintenance, operation, replacement and/or repair of the underground facilities, at no cost to the Cooperative, and
 - 3. received payment in advance of the commencement of such replacement for all costs of removal of the overhead facilities and the full amount of the Cooperative's estimated cost for the construction and installation of the new underground facilities.

300.14 Formula for Calculating Contribution in Aid of Construction

This section applies to commercial accounts only. The amount of the contribution in aid of construction for electric service is determined by the following formula. If amount calculated below is zero or negative, no contribution in aid of construction is required for provision of electric service.

$$\begin{aligned} \text{Cooperative's Allowable Investment} &= \text{Annual Revenue} / \text{Return Factor} \\ \text{Total Project Cost} &= \text{Direct Cost} + \text{System Cost} \\ \text{Member/Applicant Contribution} &= \text{Total Project Cost} - \text{Cooperative's Allowable Investment} \end{aligned}$$

Where:

Direct Cost = The cost of distribution or transmission facilities necessary to provide electric service to Member or applicant, determined by estimating all necessary expenditures, including, but not limited to, metering, services, transformers, and rearrangement of existing electrical facilities. This cost includes only the cost of the above-mentioned facilities that are necessary to provide service to the particular customer requesting service and does not include the costs of facilities necessary to meet future anticipated load growth, or to improve the service reliability in the general area for the benefit of existing and future customers.

System Cost = Cooperative's average allocated investment costs associated with Member's or applicant's on-peak and off-peak demands as approved in Cooperative's most recent rate case for the appropriate class of Member or applicant. Investment cost accounts considered in determining the allocated investment costs are those applicable 300 series FERC accounts and other rate base items, including plant held for future use, cash working capital, materials and supplies, prepayments, customer deposits, reserve for insurance and other cost-fee capital.

PEDERNALES ELECTRIC COOPERATIVE, INC. TARIFF AND BUSINESS RULES

Annual Revenue = Estimated annual revenue from Member or applicant computed from estimated demand and kWh, excluding fuel cost and sales tax.

Return Factor = Fixed charge rate, including O&M, taxes, insurance, necessary to convert an annual revenue stream to the total revenue associated with estimated life of project.

400 CREDIT REQUIREMENTS AND DEPOSITS

400.1 Credit requirements for permanent residential applicants and members

- A. The Cooperative will require an applicant for residential service or an existing residential Member to establish and maintain satisfactory credit as a condition of providing service.
 - 1. Establishment of credit shall not relieve any Member from complying with the Cooperative's requirements for prompt payment of bills.
 - 2. 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 12 months immediately after their divorce.
- B. An applicant for residential service or an existing residential Member can establish satisfactory credit by:
 - 1. clearing any unpaid or delinquent balances prior to re-establishing service with the Cooperative; and
 - 2. meeting and adhering to the Cooperative's payment policies and/or payment plan such that:
 - a. (during the most recent 12 consecutive months of service the Member is not late in paying a bill more than once;
 - b. the Member does not have service disconnected for nonpayment; and
 - c. the Member does not have more than one returned check.
 - 3. As an applicant, having been a customer of any electric service provider for the same kind of service within the last two years and not having been delinquent more than once in payment of any such electric service account in the most recent 12 consecutive months of service and evidenced by a letter of credit history from the applicant's previous electric service provider.
 - 4. As an applicant, having a credit risk assessment conducted by the Cooperative or on its behalf and receiving a satisfactory credit risk assessment.
- C. If satisfactory credit cannot be established by the residential Member using these criteria, the Member may be required to pay a deposit pursuant to this section.

400.2 Credit requirements for non-residential members or applicants

For non-residential service, if an applicant's or existing Member's credit has not been demonstrated satisfactorily to the Cooperative, the applicant or Member may be required to pay a deposit in an amount not to exceed one-sixth of the annual estimated bill. Satisfactory credit may be demonstrated by (a) an applicant or Member for a period of 24 consecutive non-residential billings without having service disconnected for nonpayment of a bill and without having been delinquent in the payment of bills more than once or (b) as an applicant, having been a customer of any electric service provider for the same kind of service within the last two years and not having been delinquent more than once in payment of any such electric utility service account in the most recent 24 consecutive months of service and evidenced either by a satisfactory letter of credit history from the applicant's previous electric service provider or by a satisfactory credit risk assessment conducted by the Cooperative or on its behalf.

400.3 Deposits and Guarantee Agreements

- A.
 - 1. An applicant, who has not previously received service from the Cooperative, will be required to pay:
 - (a) a fixed deposit in the amount of \$150 for residential service or \$300 for non-residential service in the event the applicant fails to provide complete, accurate and verifiable identification information when requested by the Cooperative when applying for electric service; or
 - (b) a fixed deposit in the amount of either \$75 or \$150 for residential service or \$300 for non-residential service in the event the applicant fails to either (a) provide a satisfactory letter of credit history from its previous electric service provider or (b) receive a satisfactory credit risk

assessment conducted by the Cooperative or on its behalf. The amount of the deposit due will be based on a credit risk assessment.

2. An existing Member when applying for additional electric service, will be required to pay:
 - (a) a fixed deposit in the amount of \$150 for residential service or \$300 for non-residential service in the event the existing Member fails to provide complete, accurate and verifiable identification information when requested by the Cooperative; or
 - (b) a fixed deposit in the amount of either \$75 or \$150 for residential service or \$300 for non-residential service in the event the Member failed to satisfactorily demonstrate to the Cooperative the Member's creditworthiness or otherwise demonstrated a previous history of neglect to fulfill membership obligations, such as (but not limited to) paying a bill late more than once during the most recent 12 consecutive months of service, service disconnection for nonpayment, failure to meet obligations under a deferred payment agreement, return of a check for insufficient funds, theft of service, meter tampering, safety code violations or fraud. The amount of the deposit due will be based on a credit risk assessment.
 3. If the Member applying for additional electric service has less than 12 consecutive months of service, that Member may provide a satisfactory letter of credit history from its previous electric service provider or have a credit risk assessment conducted by the Cooperative or on its behalf and receive a satisfactory credit risk assessment.
 4. An applicant, who previously had service with the Cooperative, or an existing Member, each of whom failed to satisfactorily demonstrate to the Cooperative creditworthiness or otherwise demonstrated a previous history of neglect to fulfill membership obligations may be required to pay a deposit (a) in an amount of either \$75 or \$150 for residential service (the amount of the deposit due will be based on a credit risk assessment) or \$300 for non-residential service or (b) in an amount not to exceed one-sixth of the annual estimated bill in the event the applicant or Member fails to provide complete, accurate and verifiable identification information when requested by the Cooperative.
- B. If the applicant or existing Member already has paid a fixed deposit, the applicant or Member may be required to pay an additional deposit up to a total deposit amount not to exceed one-sixth of the annual estimated bill.
- C. Notwithstanding the foregoing, if the applicant or existing Member has been determined to be a victim of family violence as defined in the Texas Family Code §71.004, such person will not be required to pay either an initial or additional deposit when establishing new service. This determination shall be evidenced by submission to the Cooperative of a certification letter developed by the Texas Council on Family Violence within 10 business days of the application for service. This waiver in Section 400.3(C) shall only be applied towards an initial or additional deposit for a single location for the applicant or existing Member unless another certification letter is later provided. Any reconnections after nonpayment will be subject to payment of the past due balance, reconnection fee, deposits and any other fees required.
- D. The Cooperative may refuse to provide service to an applicant or Member if the requested deposit is not paid at the initiation of service. The Cooperative may also refuse to reconnect service to an applicant or existing Member if the requested deposit is not paid upon request.
- E. Guarantees of residential Member accounts
1. A guarantee agreement between the Cooperative and a guarantor with satisfactory credit must be in writing and shall be for no more than the amount of the initial deposit the Cooperative would require on the applicant's account pursuant to subsection (A) of this section. The amount of the guarantee shall be clearly indicated in the signed agreement. A guarantor can establish satisfactory credit by meeting and adhering to the Cooperative's payment policies and/or payment plan such that: (i) during the most recent 12 consecutive months of service the guarantor is not late in paying a bill more than once, (ii) the guarantor does not have service disconnected for nonpayment; and (iii) the guarantor does not have more than one returned check.

2. The guarantee shall be voided and returned to the guarantor according to the provisions of Section 400.08.
3. Upon default by a residential Member the guarantor of that Member's account shall be responsible for the unpaid balance of the account only up to the amount agreed to in the written agreement.
4. The Cooperative shall provide written notification to the guarantor of the Member's default, the amount owed by the guarantor, and the due date for the amount owed.
5. The Cooperative shall provide the guarantor a bill which will include the payment due date which will not be less than 16 days after issuance.
6. The Cooperative may transfer the amount owed on the defaulted account to the guarantor's own service bill provided the guaranteed amount owed is identified separately on the guarantor's bill.
7. The Cooperative may disconnect service to the guarantor for nonpayment of the guaranteed amount only if the disconnection was included in the terms of the written agreement, and only after proper notice as described by subsection (E) of this subsection.

400.4 Deposits for temporary or seasonal service and for weekend residences

The Cooperative will require a deposit sufficient to reasonably protect it against the assumed risk for temporary or seasonal service or weekend residences, as long as the policy is applied in a uniform and nondiscriminatory manner. These deposits shall be returned according to guidelines set out in subsection 400.8.

400.5 Amount of deposit

The total of all deposits from a Member or applicant for service shall not exceed one-sixth of the estimated annual billing; provided however, that for those members or applicants subject to the fixed deposit amount described in Section 400.3 above, the amount of the deposit shall not be less than the amount of those fixed deposits.

400.6 Interest on deposits

The Cooperative shall pay interest on any required deposits at an annual rate at least equal to that set by the Public Utility Commission of Texas on December 1 of the preceding year, pursuant to Texas Utilities Code §183.003 (Vernon 1998) (relating to Rate of Interest). If a deposit is refunded payment of interest shall be made retroactive to the date of deposit. (

- A. Payment of the interest to the Member shall be made annually or at the time the deposit is returned or credited to the Member's account.
- B. The deposit shall cease to draw interest on the date it is returned or credited to the Member's account.

400.7 Records of deposits

- A. The Cooperative shall keep records to show:
 1. the name and address of each depositor;
 2. the amount and date of the deposit; and
 3. each transaction concerning the deposit.
- B. The Cooperative shall issue a receipt of deposit to each applicant or Member paying a deposit and shall provide means for a depositor to establish a claim if the receipt is lost.
- C. The Cooperative shall maintain a record of each unclaimed deposit for at least four years.
- D. The Cooperative shall make a reasonable effort to return unclaimed deposits.

400.8 Refunding deposits and voiding letters of guarantee

- A. If service is not connected, or is disconnected, the Cooperative shall promptly (1) refund the Member's or applicant's deposit plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished and (2) void and return to the guarantor all letters of guarantee on the account or provide written documentation that the contract has been voided.
- B. When the Member has paid bills for service for 12 consecutive residential billings or for 24 consecutive non-residential billings (i) without having service disconnected for nonpayment of a bill and (ii) without having been delinquent in the payment of bills more than once, the Cooperative shall promptly refund the deposit plus accrued interest to the Member or credit the amount of the deposit and accrued interest to the Member's account or void and return the guarantee or provide written documentation that the contract has been voided. The deposit may be retained if the Member (1) does not meet the foregoing refund criteria or (2) failed to provide complete, accurate and verifiable identification information when requested by the Cooperative. The letter of guarantee may be retained if the Member does not meet the foregoing refund criteria.

400.9 Re-establishment of credit

A Member whose service has been disconnected for nonpayment of bills or theft of service (meter tampering or bypassing of meter) shall be required, before service is reconnected, to pay all amounts due the Cooperative, including reconnection and other applicable fees, and reestablish credit.

400.10 Status of Credit and Deposit Requirements

The Cooperative's credit and deposit requirements are subject to change at any time by the Board of Directors. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify any credit and deposit requirements for a limited duration to address the circumstances. After a good cause determination, the Chief Executive Officer must inform the Board of Directors at its next Regular Meeting of all actions taken under this section.

500 FEE SCHEDULE

DESCRIPTION	FEES	SECTION
Membership Fee	\$ 50.00 (Refundable as described)	200.3
Establishment Fee	\$ 75.00	200.4
Deposits	Refer to Credit Requirements and Deposits Tariff (Refundable as described)	400
Same Day Service Fee	\$ 250.00	200.5
Advanced Metering Opt Out Program – Meter Exchange	\$ 75.00	200.11
Advanced Metering Opt Out Program – Monthly Meter Readings	\$ 30.00, additional \$1/mile charge for service locations further than 20 miles from nearest area office	200.11
Advanced Metering Opt Out Program – Quarterly Meter Readings	\$ 45.00, additional \$1/mile charge for service locations further than 20 miles from nearest area office	200.11
Collection Fee	\$ 75.00	200.12
Meter Test Fee	\$ 55.00	200.13
Late Payment Processing Fee	\$ 20.00 for residential; \$20.00 or 6% of unpaid balance whichever is greater for non-residential accounts other than state agencies	200.14
Meter Tampering	\$ 500.00	200.15
Reconnection Fee (reconnection after non-payment)	\$ 100.00	200.21
Return Check /Denied Bank Draft/Denied Credit Card	\$ 30.00	200.27
System Impact Fee	\$ 200.00	300.3
Facilities Charge	Refer to Line Extension Tariff	300.4
Franchise Fee	Refer to Franchise Fee Tariff	100.17
Credit Report Fee	\$ 25.00	200.14
Loan Application Fee	\$ 45.00	200.14
Document Preparation Fee	\$ 45.00	200.14
Filing Fees	\$ 15.00	200.14
Tax Monitoring Fee	\$ 20.00	200.14
Loan Administration Fee	One Percent (1.0%) shall be added as interest collected on the loan	200.14
Loan Late Fee	May be assessed after 10 days of payment due date; greater of five Percent (5%) on amount due or \$ 7.50	200.14
Open Records Fee – Staff research time	\$ 40.00 per hour	200.29
Open Records Fee – Copies	\$ 0.25 cents per page for any pages in excess of 10 pages	200.29
Open Records Fee – Other materials and services not included in research time and copies.	Actual cost	200.29
Subpoena Response Service Fee	\$ 40.00 per hour	200.30
Easement Release	\$ 300.00	200.31
Application Fee for DG Service greater than 50 kW	\$ 25.00	600.7
Cooperative Solar Rate Application Fee	\$ 15.00	100.8.5
Cooperative Solar Rate Opt Out Fee	\$ 1.00 for each assigned Cooperative Solar Energy Unit multiplied by the months remaining in the current 24 month commitment	100.8.5

600 Interconnection Tariff

600.1 Overview

The Interconnection Policy applies to the installation and parallel operation of Member owned Distributed Generation (DG) that does not adversely affect the Cooperative's service and is 10 MW AC or less in size and interconnected at/or below 60 kV. Distributed Generation systems equal to or greater than 1 MW are required to register with ERCOT and are subject to ERCOT protocols.

While not regulated by the Public Utility Commission of Texas (PUCT), the Cooperative adopts as its requirements for safety, reliability and operational rule the PUCT Substantive Rule 25.212 "Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation" as may be amended from time to time as the Cooperative's interconnection, operational, safety and reliability rules, except for any portions of the substantive rule which refer to an Interconnection Agreement or Tariff as may be amended from time to time. Should any provision of the adopted substantive rule and this Policy conflict, this Policy shall control.

DG not meeting the provisions of the Interconnection Policy will be considered by the Cooperative on a non-discriminatory case-by-case basis.

Members, including DG Members, are subject to the Cooperative's tariffs and/or terms and conditions of service or any distributed generation guidelines or manual of the Cooperative as well as all applicable laws and regulations.

This Tariff supersedes any other tariff or policy on this subject matter including the Interconnection Policy for Small Generators.

600.2 Parties to the Interconnection Agreements

Unless required by the state, ERCOT or other regulatory body, all interconnection agreements shall be between the Cooperative and the Member.

600.3 Limitations of DG Location with Regard to the Cooperative's Meters and Facilities

A Member may serve all load behind the meter at the location serving the DG facility but will not be allowed to serve multiple meters, multiple consuming facilities or multiple Members with a single DG facility or under a single DG application without prior approval by the Cooperative. Distributed Generation systems installed for the primary purpose of generating energy for export to the distribution or transmission system will be considered on a case-by-case basis.

600.4 Definitions

- A. Distributed Generation (DG) - An electrical generating facility located at a Member's point of delivery (point of common coupling) that is 10 MW AC or less in size and connected at a voltage less than 60 kV, which may be connected in parallel operation to the utility system.
- B. Interconnection - The physical connection of distributed generation to the utility system in accordance with the requirements of this Policy so that parallel operation can occur.
- C. Interconnection Agreement - The interconnection agreement sets forth the contractual conditions under which the Cooperative and a Member agree that one or more facilities may be interconnected with the Cooperative's system.
- D. Pre-Certified - While not regulated by the Public Utility Commission of Texas (PUCT), the Cooperative accepts that equipment pre-certified under the provisions of the PUCT may be installed on the Cooperative's system in accordance with an approved interconnection control and protection scheme without further review of such design by the Cooperative. Such equipment is referred to as "Pre-Certified".
- E. Parallel Operation - The operation of on-site distributed generation while the customer is connected to the Cooperative's system.

- F. Point of Common Coupling - The point where the electrical conductors of the Cooperative system are connected to the Member's conductors and where any transfer of electric power between the Member and the Cooperative's system takes place, such as switchgear near the meter.
- G. Pre-certified Equipment - A specific generating and protective equipment system or systems that have been certified as meeting the applicable parts of this Policy relating to safety and reliability by an entity approved by the Public Utility Commission of Texas.

600.5 Cost-Benefit and Tax Responsibility

The Member must conduct his/her own analysis to determine the economic benefit of DG operation. PEC or PEC staff will not provide advice on any tax matters; PEC recommends that a Member seeks advice from a tax specialist.

600.6 Compliance with all Laws, Regulations and Standards

This Interconnection Policy is not a complete description or listing of all laws, ordinances, rules and regulations applicable to DG, nor is this Policy intended to be an installation or safety manual. The Member requesting to interconnect a DG facility to the Cooperative's system is responsible for and must follow, in addition to all provisions of this Policy, the Cooperative's Tariffs and Business Rules, the policies and procedures of the Cooperative's power supplier where applicable, the policies and procedures of the Cooperative's transmission service provider where applicable, the rules and regulations of ERCOT and PUCT where applicable, the current IEEE 1547 Standard Guide for Distributed Generation Interconnection, other applicable IEEE standards, applicable ANSI standards, including ANSI C84.1 Range A and any other applicable governmental and regulatory laws, rules, ordinances or requirements. All legal, technical, financial, or other requirements in the following sections of this Policy must be met prior to interconnection of the DG facility to the Cooperative's system.

600.7 Members Initial Requirements

- A. Apply for DG Service
In order to interconnect a DG facility to the Cooperative system, a Member must first submit to the Cooperative an application for interconnection.
- B. Application Fees
At the time of application for DG service, the Member shall pay a non-refundable \$25.00 application fee if the net capacity of the proposed distributed generation system is greater than 50 kW.

600.8 Cooperative Review of Proposed DG Facility

- A. Engineering Studies and Study Fees
The Cooperative may conduct an engineering study, service study, coordination study and/or utility system impact study prior to interconnection of a DG facility. The scope of any such studies shall be based on the characteristics of the particular DG facility to be interconnected and the Cooperative's system at the specific proposed location. Studies may be conducted by a qualified third party. An estimate of the study cost and an estimate of the time required to complete the study will be provided to the Member in advance. The Member shall pay the cost of the study and/or fees that are provided in the estimate. For customers with facilities greater than 50 kW, the Cooperative's power supplier and other entities may require additional information and may require additional engineering analysis and/or additional fees where applicable.
- B. Confidentiality
Information obtained about the Member shall be subject to any privacy policy of the Cooperative. Any information pertaining to the security of the electrical system shall be confidential information of the Cooperative.
- C. Liability

The Cooperative's review process and any inspections are intended as a means to safeguard the Cooperative's facilities and personnel. The Member acknowledges and agrees that any review or acceptance of such plans, specifications and other information by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of the Member's equipment or DG facility to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability, or reliability of such DG installations.

D. Non-discrimination

All applications for interconnection and parallel operation shall be processed by the Cooperative in a non-discriminatory manner. It is recognized that certain applications may require minor modifications while they are being reviewed by the Cooperative. Such minor modifications to a pending application shall not require that it be considered incomplete and treated as a new or separate application.

E. System upgrades and modifications to Cooperative facility

- If interconnection of a particular DG facility will require material capital upgrades to the Cooperative system as determined by the engineering analysis, the Cooperative shall provide the Member with an estimate of the schedule and Member's cost for the upgrade. If the Member desires to proceed with the upgrade, the Member and the Cooperative will enter into a contract for the completion of the upgrade. The Cooperative shall employ reasonable efforts to complete such system upgrades in the shortest time reasonably practical.
- If the Cooperative concludes that, an application for interconnection describes facilities that may require additional devices and operating schemes beyond those described in this Policy, the Cooperative shall make those additional requirements known to the Member at the time the interconnection studies are completed.
- As a part of the interconnection analysis performed by the Cooperative, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing electric delivery service to the Member's DG facility.
- The Member shall pay the cost of construction of any transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment required to serve the Member's DG facility.

F. Future Reliability

In the event it is necessary at the time of initial interconnection or at some future time for the Cooperative and/or its power supplier to modify electric delivery systems because the Member's DG and/or the quality of power provided by the Member's DG adversely affects the Cooperative and/or its power supplier's delivery system, the Member will reimburse the Cooperative and/or its power supplier for all costs of modifications required for the continued interconnection of the Member's DG facilities.

600.9 Sales To and Purchase From a DG Facility

Sales to and Purchases from a DG Facility shall be handled as described in the Cooperative's rates and tariffs or any contracts between the Member and the Cooperative.

The Cooperative will negotiate on a non-discriminatory case-by-case basis to establish a standard rate that will be applicable to a Qualifying Facility (QF) that is less than or equal to 100 kW and is certified as a QF pursuant to 18 C.F.R. § 292.207, as may be amended from time to time.

600.10 Additional Requirements

A. Liability Insurance

No additional liability insurance shall be required by the Cooperative for the interconnection. Members are encouraged to review the liability requirements of the interconnection agreement and to provide adequate insurance.

B. Contracts

The Member will sign and deliver an interconnection agreement to the Cooperative substantially in the form as provided on its website.

600.11 Operation of Parallel Facility

A. General Safety and Reliability

- While not regulated by the Public Utility Commission of Texas (PUCT), the Cooperative adopts as its requirements for safety, reliability and operational rule the PUCT Substantive Rule 25.212 "Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation," as amended from time to time as the Cooperative's operational, safety and reliability rules, except for any portions of the substantive rule which refer to an Interconnection Agreement or Tariff. Should any provision of the adopted substantive rule and this Policy conflict, this Policy shall control.
- The Cooperative reserves the right to require additional safety, reliability and/or operational equipment and/or measures beyond that required by the adopted substantive rule where its engineering study determines that such equipment and/or operational measures are required. In such cases, the Member shall be responsible for the cost of such equipment and/or operational measures.

B. Access

- The Cooperative has the right to enter the property on which the DG facility is installed for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other Cooperative equipment. Such entry onto the Member's property may be without notice.
- If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.

C. Metering/Monitoring

- The Cooperative may supply, own and maintain all necessary meters and associated equipment to record energy purchases by the Member and energy sales to the Cooperative.
- The Member shall supply at no cost to the Cooperative a suitable location on his or her premises for the installation of the Cooperative's meters and other equipment.
- The meter shall be read at a time or times of month determined by the Cooperative's for acquiring metering data.
- Meter testing shall follow the Cooperative's standard policy on metering testing and accuracy.
- Metering requirements may be subject to change according to PUCT and ERCOT rules and regulation. Should ERCOT or PUCT adopt rules requiring specialized metering, Member may be required to pay the cost of any required changes.
- Metering requirements for interconnected DG systems may vary by size according to the following table:

PEDERNALES ELECTRIC COOPERATIVE, INC. TARIFF AND BUSINESS RULES

Installed Size of DG	Minimum Metering Requirements	Additional Provisions
Less than or equal to 50 kW Pre-certified	Single meter with two registers	Cooperative may elect to install two meters.
Greater than 50 kW and less than 1 MW Pre-certified	Up to two meters, capable of recording data on a minimum 15 minute interval basis.	
Greater than or equal to 1 MW and 10 MW or less Pre-certified	Metering in accordance to ERCOT protocols	Distributed Generation systems greater than or equal to 1 MW are required to register with ERCOT and are subject to ERCOT protocols.
Any size unit not Pre-certified	As identified by analysis or required by ERCOT and PUCT	