

CENTRAL RURAL ELECTRIC COOPERATIVE

TERMS AND CONDITIONS OF SERVICE

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GENERAL STATEMENT

PURPOSE OF TERMS AND CONDITIONS OF SERVICE

These Terms and Conditions of Service are designed to govern the supplying and taking of electric service in a manner which will provide each member with reliable and adequate power, consistent with sound business practices and safety procedures for the protection of the member and Central Rural Electric Cooperative. They supersede and cancel all previous regulations pertaining to the supplying and taking of Central Rural Electric Cooperative's electric service.

APPLICABILITY

These Terms and Conditions of Service, and any modifications thereof and additions thereto lawfully made, are applicable to all standard service agreements and contracts now existing or which may be entered into by Central Rural Electric Cooperative and to all rate schedules which from time to time may be lawfully determined and adopted.

DEFINITIONS

The following expressions when used in these Terms and Conditions of Service, in rate schedules, and in service agreements shall, unless otherwise indicated, have the meaning given below.

Applicant: Any person, firm, corporation, or public body requesting electric service from Central Rural Electric Cooperative.

Cooperative: Central Rural Electric Cooperative, Inc.

Trustees: The elected Board of Trustees as defined and provided for in Article IV of the Cooperative's bylaws.

Member: Any person, firm, corporation, or public body who has complied with the requirements for membership as provided in the Cooperative's bylaws, its Terms and Conditions of Service, and is being or will be supplied electric service by the Cooperative.

GENERAL SOURCES OF AUTHORITY

- a. The bylaws of Central Rural Electric Cooperative as approved and amended from time to time by the membership of the Cooperative.
- b. The policies adopted by Central Rural Electric Cooperative's Board of Trustees.
- c. Federal and Oklahoma laws applying to the operation of rural electric cooperatives.

PART I

GENERAL INFORMATION

101 APPLICATION FOR SERVICE

Any person, firm, corporation, or public body desiring to apply for electric service may do so by:

- a. Signing an application for membership, granting the necessary right-of-way easements, and agreeing to be bound by the bylaws of the Cooperative and amendments thereto, as well as all applicable Cooperative policies and procedures.

- b. Paying the membership fee specified by the Board of Trustees.
- c. Signing a contract for service, if an extension of the Cooperative's electric facilities is required.

Every application for service shall be made, with proper identification, in the true name of the applicant applying for service. In case of violation of this provision, the Cooperative may discontinue the service.

The contract for service is not transferable by the member. Each new occupant of the premises must make written application for service before service is begun.

A service initiation fee of twenty-five (\$25.00) dollars will be applied to the first bill of the member establishing service. This fee will be applicable to each account reconnected or a transfer of service. New construction services are exempt from this fee.

The applicant must furnish all permits required to enable the Cooperative to supply the service, except those for public space.

All contracts for service under the scheduled rates of the Cooperative, except those that make a definite exception, are effective for initial periods of five (5) years and are automatically renewed upon each expiration date on a month-to-month basis unless canceled by either party.

The Cooperative may accept a contract for a shorter period of time in the following instances:

- a. Services in subdivisions, recreational developments, or urban areas where less than average investment per residence is required.
- b. Services to commercial or industrial accounts where the annual revenue will exceed twenty percent (20%) of the investment cost of providing the electric facilities for the applicant.

The contract shall, at the option of the Cooperative, cease and terminate and all bills for service previously furnished become due and payable immediately whenever any act of bankruptcy is made by the member or any petition, either voluntary or involuntary, is filed by or against the member in bankruptcy.

102 SECURITY DEPOSIT

102.1 Residential

Requirement of a security deposit will be determined by an outside credit scoring service as selected by the Board of Trustees.

A security deposit, amounting to the greater of five hundred dollars (\$500.00) or two times the highest monthly bill will be required for applicants with poor credit ratings, according to the approved outside credit scoring service. A three hundred dollar (\$300.00) deposit will be required from applicants with a moderate credit rating. A security deposit will not be required for applicants with an excellent credit rating or those choosing the pre-paid metering option described in Section 104.1.

A security deposit will not be required from current members who have received electrical service from the Cooperative for twelve (12) consecutive months and service was not terminated

for non-payment nor was payment late more than four (4) times. The twelve (12) month service period is the most current twelve (12) month period prior to the application for an additional service from the Cooperative.

A current member may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent in four (4) out of the last twelve (12) billing periods or if the member has had service disconnected for non-payment during the last twelve (12) months or has had an insufficient fund item.

Security deposits may be used to reduce debt owed to the Cooperative after disconnection when other payment is not received.

The Cooperative will pay interest on the security deposits at a rate established annually by the Board of Trustees.

The Cooperative will automatically refund the deposit for service to the member's active account, with any interest that has accrued after a twelve (12) month history of no late payments, no insufficient fund items, or if the account is converted to a pre-paid account.

102.2 Commercial and Industrial

Applicants requesting service of 100KW or greater are required to pay a security deposit prior to service for commercial and industrial accounts regardless of previous service history. Security deposits for applicants requesting service of below 100kW will be determined by an outside credit scoring service as selected by the Board of Trustees. Security deposits are calculated based on one-sixth (1/6) of the estimated annual bill for newly constructed services or twice the highest bill on a service with previous billing history. Security deposits will be held for the life of the account and applied to the final bill upon disconnect.

A guaranteed letter of credit, surety bond, or other instruments acceptable to the Cooperative, with a value equal to or greater than the required amount of deposit may be accepted in place of the security deposit.

A current member shall be required to post a deposit as a condition of continued service if they have become delinquent in two (2) out of the last twelve (12) billing periods, if the member has had service disconnected during the last twelve (12) months due to non-payment, or an insufficient fund item.

Security deposits, surety bonds, and guaranteed letters of credit will be used to reduce debt owed to the Cooperative after disconnection when other payment is not received.

In addition to security deposit, the Cooperative may require a surety bond to ensure the Cooperative recovers all sums due based on cost of service for discontinued service.

The Cooperative will pay interest on security deposits at a rate established by the Board of Trustees.

103 SERVICE STANDARDS

103.1 Residential

Members served under the residential rate schedule shall be furnished single-phase service, 120/240V.

103.2 Commercial and Industrial

Members served under the commercial rate schedule shall be furnished either single-phase or three-phase service as required by the member, subject to the following provisions:

- a. Single-phase service shall be available for single-phase motors with individual capacities of ten (10) horsepower or less. Single-phase service may, at the Cooperative's option, be made available for motors over ten (10) horsepower each.
- b. Three-phase service shall be available for three-phase motors with a total capacity of ten (10) horsepower or more; however, if a commercial member requires three-phase service for motors with a total capacity of less than ten (10) horsepower at a place where three-phase secondary service is available at or near the location, the Cooperative may opt to permit connection of these motors. When three-phase service is furnished, the member shall arrange his wiring so that all single-phase and three-phase service can be taken through one meter.
- c. The taking of single-phase or three-phase service shall be subject to the provisions of the Cooperative's Standard Extension Policy (Part IV).

103.3 Exclusive Service on Installations upon Connections to the Cooperative's System

Standard electric rate schedules are based on exclusive use of the Cooperative's electrical service. Only electric services from a distributed generation source (i.e. wind, solar, geothermal, etc.) that has been approved by the Cooperative can be used by the member in parallel with the Cooperative's service. This includes stand-by power that may be considered essential to life or property. A stand-by generator or power source may be used, with specially designed and approved switching equipment installed that will eliminate the hazard of back feeding onto Cooperative's distribution system. Written permission must be obtained from the Cooperative in every case of stand-by power installation. Upon connection to the Cooperative's system, the Cooperative reserves the right to be the exclusive power provider as State and Federal law allow.

The member will not sell the electricity purchased from the Cooperative to any other agency, company or person unless the contract under which the service is made available specifically provides for resale.

103.4 Distributed Generation Installations Connected to the Cooperative's System

All distributed generation sources (i.e. wind, solar, geothermal, etc.) that any member requests to connect to the Cooperative's distribution system for the purpose of net metering shall adhere to the standards set forth by the National Electrical Code (NEC), American National Standards Institute (ANSI) and the Institute of Electrical and Electronics Engineers (IEEE). Furthermore, the installation procedure shall follow the policies and procedures set forth in the latest Distributed Generation Interconnection Agreement as adopted by the Cooperative's Board of Trustees. Within the agreement the member has the option to choose either a power purchase or a net metering agreement.

104 METER READING

Each member shall provide, at all reasonable times, to the Cooperative's personnel or other designated independent contractors, access to the Cooperative's meter for the purpose of reading and/or inspecting equipment.

In the event the Cooperative is unable to gain access for the purpose of reading the meter, an estimated reading will be used for billing purposes.

104.1 Billing

All residential and non-residential bills are payable no later than twenty (20) days from the mailing date of the bill.

When the member requests discontinuance of service, all bills for electric service shall be processed the following Wednesday. All bills are to be paid at the office of the Cooperative or at an authorized Cooperative collection agency within the specified time.

The Cooperative may mail to the member, at the address on the application for service or change of address order, a bill for electricity delivered. The Cooperative reserves the right to adopt other methods of delivering bills. It is the duty of the member to keep the Cooperative advised of the member's current mailing address. Failure to receive a bill in no way exempts a member from payment for service.

Average Monthly Payment Plan

The Average Monthly Payment (AMP) plan is available to residential members. AMP plan is designed to avoid high seasonal payments and allow members to make planned payments instead of the billing for the actual month's use.

The current month's kWh use and the previous eleven (11) months of kWh use will be totaled and averaged. This average will then be multiplied by the current month's rate plus the service availability fee and current taxes. In addition to this amount is a figure based on the debit account receivable balance divided by twelve (12). These amounts are combined to make up the average monthly payment. The plan is optional and available to residential members who have a one (1)-year billing history with the Cooperative, no more than two late payments in the last twelve (12) months, and whose bill payments are current.

Pre-Paid Service Plan

The Pre-Paid Service Plan enables the participating member to actively monitor and control their electricity consumption. Members may pay, at their discretion, any amount they choose in order to maintain a credit balance on their account.

Pre-Paid service is available to all residential members as an option subject to the following provisions:

- a. The member must pay all applicable fees and equipment charges prior to commencement of the service.
- b. Account location installation requires a 3 wire, 240 volt (form 2S meter) with full automatic meter reading capabilities.

A member requesting Pre-Paid service will be enrolled if the member meets the eligibility requirements listed above. Finally, the account will be monitored on a daily basis and any account with a negative account balance is subject to disconnection.

In lieu of a monthly billing statement, the member's use and account balance are calculated daily using the appropriate rate schedule.

A full settlement of the account shall be made when participation in the Pre-Paid Plan terminates for any reason.

104.2 Temporary Disconnects

When a meter is disconnected and the member requests reconnection within twelve (12) months, it will be termed as a "temporary disconnect". A service charge of twenty-five dollars (\$25.00), plus the minimum monthly bill for the disconnect period, shall be paid to the Cooperative. When a meter is disconnected for a consecutive twelve (12) month period, the Cooperative will determine if the service should be removed.

105 DELINQUENT BILLS

All bills presented for payment become delinquent twenty-one (21) days from the mailing of the bill. A charge for late payment, based on approved rate schedules, is to be added to bills not paid within twenty-one (21) days from the date of mailing, or as specified in individual contracts. If the bill is not paid within applicable time periods described above, the Cooperative will notify the member that service may be disconnected if the bill is not paid or satisfactory arrangements made for payment, within the next seven (7) days.

At the discretion of the Cooperative, meters capable of remote disconnect/reconnect, will be installed. A fee, not to exceed fifty dollars (\$50.00), may be assessed for the installation of the remote collared meter if the bill is not paid within the time periods specified.

If a bill is not paid within the time periods specified above, the service will be disconnected without further notice. Payments will not be collected in the field.

If service has been disconnected due to non-payment of a bill, or for a violation of policies and procedures of the Cooperative, the member must pay, or make suitable arrangements to pay, all delinquent bills and make payment to cover the cost for reconnection before the service is reconnected. In order to be reconnected the Cooperative will collect a charge of one hundred fifty dollars (\$150.00) and an additional deposit may be required which will be five hundred dollars (\$500.00) or two-times the largest monthly bill, whichever is greater. The Cooperative will restore service during normal business hours. No reconnects will be made after the Cooperative's normal business hours.

Accounts disconnected for non-payment will be reconnected the same day if payment is received by 5:00 p.m. the day of disconnection. Payments received after 5:00 p.m. will be reconnected the next business day. There will be no reconnects done on weekend or holidays. When an account has been disconnected for a returned check, a check will not be accepted as payment for reconnection. All disconnected accounts must pay the past due bill plus all collection fees before service is reconnected. The Cooperative will not collect payments for delinquent accounts in the field.

The deposit shall not be considered as advance payment of bills for service rendered and may be applied in payment of such bills only in the event service is disconnected and final billed. The Cooperative will not disconnect service for non-payment of bills between the hours of 3:00 p.m. and 8:00 a.m., Monday through Thursday, after 12:00 p.m. Fridays, on weekends, or on any day preceding a legal holiday recognized by the State of Oklahoma.

The Cooperative reserves the right to refuse to accept a check as a form of payment, if the member's bank informs the Cooperative there are insufficient funds in the member's account.

The Cooperative reserves the right to refuse service to a member at a different location as long as delinquent bills owed to the Cooperative are outstanding.

106 FRAUDULENT USE OF ELECTRICITY

If the fraudulent use of electricity or an attempt to fraudulently use electricity (tampering with metering equipment, breaking of meter seals/locks, bypassing of metering equipment or service wiring) is discovered, the Cooperative has the right to discontinue service immediately. Service will not be resumed until the member has paid all:

- a. The outstanding bills
- b. Including those for energy consumed fraudulently
- c. Any costs for damage to the equipment
- d. A charge of no more than fifty dollars (\$50.00) per trip for disconnecting and reconnecting the service
- e. A tampering fee of three hundred dollars (\$300.00) for the first offense
- f. Six hundred dollars (\$600.00) for the second offense

The Cooperative will waive all fees if satisfied that the member had no connection with or knowledge of the fraudulence.

107 METER TESTING

At the request of a member, the Cooperative will test any member's meter within ten (10) working days or in a reasonable period of time to determine the accuracy of the meter.

- a. A deposit, not exceeding fifty dollars (\$50.00), may be required from the member for a meter test.
- b. Any charge made pursuant to paragraph "a" (above) shall be refunded to the member if the meter is found to have an average error of more than two percent (2%) when tested.
- c. A member may make a written request to be present when the Cooperative, or its agent, conducts the meter test and have an expert or other representative present at the time. The Cooperative will make the test in the presence of those requested.
- d. A written report of the test shall be supplied to the member within ten (10) working days after completion of the test.

107.1 Watt-Hour Meter Testing Schedule

All kilowatt-hour and demand meters should be tested on a three (3) to five (5) year cycle, or as experience dictates. All testing shall be done in accordance with ANSI C12.1.

107.2 Meter Error Billing Adjustment

- a. Fast Meters - Whenever any meter tested by the Cooperative, or its agent, is found to have an average error of more than two percent (2%) fast (or in favor of the Cooperative), the Cooperative will refund to the member the overcharge based upon the corrected meter reading for a period equal to one-half the time elapsed since the last test, but not to exceed six (6) months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the overcharge will be computed from that date.
- b. Slow Meters- Whenever any meter tested by the Cooperative or its agent is found to have an average error of more than two percent (2%) slow (or in favor of the member), the Cooperative may charge for the electricity consumed but not included in bills previously rendered, based upon the corrected meter reading for a period equal to one-half of the time elapsed since the last test, but not to exceed six (6) months, unless it can be established that the error was due to some cause the date of which can be fixed with reasonable certainty, in which case the charge will be computed from that date.
- c. Non-Registering Meter- If a meter is found not to register or to register intermittently for any period, the Cooperative may charge for an estimated amount of electricity use. The use will be calculated by averaging the amounts registered over corresponding periods in previous months, if that information is available, or it will be based on the calculated use of the connected load over similar periods prior or subsequent thereto.
- d. Incorrect Register or Multiplier on Meter- If a meter is found to have an incorrect register or multiplier, the error will be corrected. If the error is adverse to the member, the Cooperative will refund the excessive charges for the amount of electricity incorrectly metered over the period of time the meter was used in billing the member. If the error is adverse to the Cooperative, the Cooperative may charge the member the undercharge for the amount of electricity incorrectly metered for the period of time the meter was used in billing the member and, if necessary, the Cooperative may receive payment in installments over a reasonable period of time.

Rules (a.) through (d.) do not apply to routine testing and replacement of meters.

107.3 Additional Billing Adjustments

Other appropriate adjustments in meter readings and on bills rendered for electric use may be made under the following circumstances:

- a. When meter readings are reported incorrectly
- b. For estimated readings that are later found to vary considerably from the actual readings
- c. When there is a change of residents at a location without a meter being removed and there is a question about the final or beginning readings
- d. When there are other extraordinary circumstances such as extremely bad weather or disaster that interferes with the normal delivery of mail

108 ACCESS TO MEMBER’S PREMISE

The member shall not prohibit the duly authorized agents of the Cooperative permission to enter the member’s premises at any time for any purpose incidental to the supplying of electric service. This is necessary to allow Cooperative personnel to perform their duties at any hour of the day in the event of power outages or other emergency situations where time and safety is critical to their efforts.

109 MEMBER’S RESPONSIBILITY FOR COOPERATIVE PROPERTY

The member will be responsible for all damage to, or loss of, the Cooperative’s property located on member’s premises, unless the damages or losses were beyond member’s control, and shall not permit anyone who is not an agent of the Cooperative to remove or tamper with the Cooperative’s property.

109.1 Removal, Relocation or Modification of Cooperative’s Facilities

The member will be responsible for all cost incurred by the Cooperative in the removal, relocation, or modification of the Cooperative’s distribution facilities when the removal, relocation, or modification is made necessary by an act of the member which results in:

- a. Inaccessibility to the Cooperative’s facilities
- b. A condition that is dangerous to persons or property
- c. Tampering with Cooperative’s facilities or diversion of service

- d. Infringement on the Cooperative’s right-of-way that endangers, interferes with, or hinders the operation or maintenance of the Cooperative’s electrical distribution facilities

110 STRUCTURE/EQUIPMENT MOVING CLEARANCE

Whenever a structure or equipment is to be moved along roadways over which the Cooperative’s electric wires are strung, the Cooperative must be advised of the route over which the house or structure is to be moved at least seventy-two (72) hours in advance and a suitable payment made to cover the cost of providing clearance of wires. In no case shall anyone other than authorized employees or agents of the Cooperative remove, cut, raise, or handle any wires in connection with moving a structure or equipment.

111 INCREASED LOAD NOTIFICATION

If members have an increase in demand for electricity, they must notify the Cooperative so that its meter and other equipment may be increased to provide for the additional load. If members fail to notify the Cooperative they will be held responsible for any damage to the meter or other Cooperative equipment caused by the increased load.

112 CONTINUITY OF SERVICE

The Cooperative will be diligent in supplying reliable and continuous service at the point of delivery, but will not be liable for any damages or loss of production caused by irregularities or interruptions of service. The Cooperative may, without further notice, discontinue service to any member when a defective condition of wiring or equipment on the member’s premises results, or is likely to result, in danger to life or property or interfere with proper service.

In order to make repairs to or changes in the Cooperative's facilities for supplying electric service, the Cooperative reserves the right, without incurring any liability therefore, to suspend service, without notice to the member, for reasonable periods of time.

113 TERMS AND CONDITIONS OF SERVICE MODIFICATIONS

No agent, representative, or employee of the Cooperative has the authority to modify the Terms and Conditions as stated herein, but the Cooperative has the right to amend these Terms and Conditions or make additional Terms and Conditions as necessary, subject to approval by the Board of Trustees and any other body having the jurisdiction to do so.

PART II ELECTRIC SERVICE REGULATIONS

201 POINT OF DELIVERY

The point of delivery of electric service shall be the point at which the lines of the Cooperative connect to the lines of the member. Location of the point of delivery will be designated by an authorized employee of the Cooperative. The Cooperative may, in its sole discretion, determine a different POINT OF DELIVERY allowing member to construct, own and operate distribution facilities beyond the Cooperative's metering point. Distribution facilities will not interfere with safe and reliable operation of the existing cooperative facilities and the obligation of the cooperative to furnish retail electric service within its certified territory. It will be the member's responsibility to provide a location for the point of delivery that provides reasonable access for construction and maintenance purposes, and allows for compliance with applicable electric codes.

The point of delivery will ordinarily be one of the following points:

201.1 Line or Service Pole

The Cooperative will furnish and install a meter loop on the pole. No meter loop will be furnished to members who desire to have the meter installed on a house or other structure.

- a. Overhead Take-Off: The point of delivery for overhead take-off will normally be at the top of the pole where the member's wiring is connected to the load side of the Cooperative's meter loop or disconnect.
- b. Underground Take-Off: The point of delivery for underground service will be on the load side of the meter socket or disconnect.
- c. When Current-Transformers Are Used with the Metering Equipment: The point of delivery when current-transformers are used with the metering equipment will be at the top of the pole in all instances.

201.2 Building or Other Structure

The point of delivery shall be the point at which the lines of the Cooperative connect to the lines of the member. This will normally be at the weatherhead or masthead on the service entrance, which contains the meter base on the building or other structure when overhead construction is used. When underground construction is used, it will be at the load side of the meter base. The Cooperative will furnish the meter base whether an overhead or underground service is installed.

201.3 Underground System

- a. Meter Pedestal: The point of delivery shall be on the load side of the meter socket.
- b. Pad Mounted Transformer: The point of delivery shall be at the secondary terminals of the transformer.

201.4 Standard Service Characteristics

For usual application, the Cooperative renders 60-cycle service from circuits with the following characteristics:

- a. Single-phase, 3-wire, 120/240 volts
- b. Single-phase, 3 wire, 240/480 volts
- c. Three-phase, 4 wire, 120/240 volts delta
- d. Three-phase, 4 wire, 120/208 volts wye
- e. Three-phase, 4 wire, 277/480 volts wye
- f. Three-phase, 3 wire, 480 volts delta
- g. Three-phase, 4 wire, 13,200 volts wye
- h. Three-phase, 4 wire, 24,900 volts wye

202 MEMBER'S WIRING

All electric wiring and equipment on the member's side of the point of delivery shall be installed at the member's expense and shall be installed and maintained in accordance with the requirements of the National Electrical Code, the National Electrical Safety Code, and the Cooperative.

The Cooperative will not be responsible for any loss, injury, or damage, which may result from defects in electrical wiring or equipment on the member's premises.

The Cooperative may refuse to make a connection when it has information or cause to believe that any installation on the member's premises is unsafe.

202.1 Vaults or Pads for Cooperative Owned Equipment

Indoor Installation: Whenever an indoor installation of transformers or other equipment is required by the member, or whenever the condition of the member's facility is such that an outdoor installation is not feasible, the member shall furnish upon their property and without cost to the Cooperative, a building, room, or vault adequate to house the equipment. The space must meet the requirements of the National Electrical Safety Code and the Cooperative.

Pad Mounted Equipment: Whenever the installation requires a transformer or equipment pad of a size or type not usually supplied by the Cooperative, the member must furnish without cost to the Cooperative, a pad meeting the specifications of the Cooperative.

The member must furnish, without cost to the Cooperative, right-of-way for the Cooperative's circuits whenever the Cooperative is required to cross private property in order to serve the member.

203 METERS AND METERING EQUIPMENT

203.1 General

The Cooperative will furnish and install necessary equipment and facilities to provide proper voltage and capacity to the point of delivery. Metering equipment type, capacity, and location shall be determined by the Cooperative.

All meters, meter bases, and other associated metering equipment necessary to properly measure the electrical consumption of the member will be furnished and maintained by the Cooperative. The Cooperative will make all attachments and connections to the Cooperative facilities involving primary voltages due to the safety hazards involved.

No meter loop shall be bypassed for any reason, including remodeling or replacement, without the approval of an authorized representative of the Cooperative.

203.2 Outdoor Meter Installations

Outdoor meter installations are required for all installations.

203.3 Ownership

All meters, enclosures and other equipment furnished by the Cooperative will be maintained by the Cooperative and remain its property.

203.4 Net Metering/Distributed Generation

All net metering and/or distributed generation installations shall adhere to the procedures and regulations set forth in the Cooperative Distributed Generation Interconnection Application and Agreement as adopted by the Cooperative's Board of Trustees. (See Section 103.4)

PART III

QUALITY OF ELECTRIC SERVICE

301 SERVICE DESIGN

The Cooperative will design its service facilities to meet the requirements of the member in accordance with accepted Rural Utility Service and industry design practices, applicable codes and standards, and the Cooperative's Terms and Conditions of Service.

302 POWER QUALITY

In the event that any member operates or connects any electrical device to his/her electric system which causes interference, noise, distortions of the 60 Hz sine wave, or other disturbance on the system of the Cooperative which results in a disruption, disturbance, or interference to the Cooperative, its members, a communication company or its consumers, the Cooperative may:

- a. Require said member to take corrective measures by installing suitable or special equipment necessary to eliminate or reasonably limit such adverse effect
- b. Install, at the member's expense, equipment specifically designed to reasonably limit such adverse effect

Said member shall bear all expenses necessary to eliminate the adverse conditions or be subject to a discontinuance of service after written notice so that other members are not deprived of the quality of service provided prior to the existence of the problem. Where the Cooperative

believes the condition creates a hazard to the public, the Cooperative, or the member's property, the disconnection may be made without prior notice.

303 POWER FACTOR

The member agrees to maintain unity power factor as nearly as practicable. Demand charges may be adjusted if the power factor is lower than ninety percent (90%). Measured demand may be increased by one percent (1%) for each one percent (1%) by which the average power factor is less than 90% lagging.

304 HARMONICS

The member agrees to maintain a current total harmonic distortion of twelve percent (12%) or less and voltage total harmonic distortion of five percent (5%) or less, as set forth by the Oklahoma Corporation Commission and the Institute of Electrical and Electronics Engineers.

**PART IV
STANDARD LINE EXTENSION**

401 GENERAL

Standard Line Extension is considered in conjunction with the Cooperative's various rate schedules and other provisions of the Terms and Conditions of Service. The application of the Standard Line Extension is outlined below as applicable to varied situations and membership type. This supersedes all previous directives concerning the Standard Line Extension.

402 PERMANENT RESIDENTIAL SERVICE

A permanent residence is any dwelling unit which:

- a. Will be fixed at one location for at least five (5) years, and is deemed a full-time residence by the Cooperative
- b. Contains kitchen facilities
- c. Is served by a public water system or other approved water system and is connected to a health department approved sewage disposal system

402.1 Residential Extension Allowance

The Cooperative will contribute up to two thousand dollars (\$2,000) plus the cost of a standard size transformer and meter to extend service to a permanent residential service with access to working water system if one of the following additional requirements are met:

- a. Connection to a health department approved sewage disposal system
- b. Permanent foundation in place

Any additional costs in excess of the Cooperative's contribution will be paid by the member as non-refundable contribution-in-aid of construction. Applicant shall not pay any costs incidental to any increase in the size of the line in excess of that necessary to serve the applicant; costs incidental to future expansion plans or work plans of the Cooperative; costs necessary to correct inadequate capacity. In lieu of the stated requirements, the applicant may pay the full cost of construction to receive service. If applicant pays the full cost of construction and stated above requirements are met within two years from the date of the line extension is provided to applicant, the standard allowance may be refunded. All property constructed on behalf of the cooperative with contribution in aid remains the property of the Cooperative.

402.2 Additional Provisions for Underground Residential Extension

In addition to the provisions in Section 402.1, the following provisions shall apply to extension of underground distribution facilities for permanent residential service:

- a. The Cooperative shall furnish, install, and maintain all underground conductors to the meter base or other point of delivery approved by the Cooperative.
- b. Soil conditions shall be suitable for underground construction as determined by an authorized Cooperative representative.
- c. The Cooperative will provide a meter base to the applicant without charge. The applicant will be responsible for having the meter base properly installed at a point of delivery acceptable to both the applicant and the Cooperative.
- d. The applicant will be responsible for having conduit installed, as specified by the Cooperative, from the meter base to a point accessible by Cooperative trenching equipment.
- e. The Cooperative will not commence construction prior to receiving full payment for the service as described in Section 402.1. All line extension costs shall be calculated using the Cooperative's most recent cost analysis.

402.3 Addition to Extension

If a member makes a contribution for line extension, and if during the initial two years of electric service, additional members are extended electric service from the original member's line extension, the Cooperative may recalculate the cost of the original extension and may make appropriate refunds to the original contributor.

403 NON-RESIDENTIAL SERVICE

The Cooperative shall extend its overhead distribution line to each non-residential applicant based upon the load requirements of the applicant, and based upon proper engineering methods and design standards as determined by the Cooperative. An impact fee may be required for extension of service.

403.1 Overhead Non-Residential Extension

- a. The applicant will be required to pay a contribution-in-aid of construction for each non-residential extension based upon the full cost of the extension. The applicant may have the option to pay a minimum monthly charge sufficient to recover the extension cost over the term of the contract. Such minimum payment shall continue for the term specified in the contract for electric service. If the applicant disconnects service for any reason during the initial contract term, the Cooperative may require immediate payment of any unrecovered extension costs. The Cooperative may also require the applicant to provide a deposit or letter of credit to guarantee payment of the monthly minimum payment specified in the contract for electric service.
- b. Every extension shall be at all times the property of the Cooperative regardless of whether a contribution is made in aid of its construction.

403.2 Underground Non-Residential Extension

The Cooperative shall extend its underground distribution facilities to an applicant for service, other than residential, in accordance with the provisions of Section 403.1, Overhead Non-

Residential Extensions, and Section 402.3, Underground Residential Extension. However, there shall be no extension allowance.

404 TEMPORARY SERVICE

Temporary service shall be defined as any service required for a period of less than five (5) years. The Cooperative will calculate any extension costs as specified in Section 402 and 403 above, based on full construction and retirement costs.

405 SUBDIVISIONS

In lieu of extensions pursuant to other provisions of these Terms and Conditions of Service, the Cooperative may require a developer who desires an extension to a prospective real estate subdivision to make a deposit or other guarantee based on the construction cost of the electric facilities to serve the subdivision; the type of home (site built or mobile/modular); the estimated energy usage per home; the estimated energy efficiency rating per home; and the annual rate of home construction within the subdivision. The terms and conditions of such deposit or guarantee shall be specified in a contract for construction of electric facilities. Every extension shall be at all times the property of the Cooperative, regardless of whether a contribution is made in aid of its construction.

405.1 Overhead or Underground Extensions

The Cooperative shall extend its overhead or underground distribution facilities to serve in platted additions, development areas, or subdivisions whenever six (6) or more contiguous lots are scheduled for immediate development, subject to the following conditions:

- a. The development or subdivision is not unduly speculative and will be developed in a step-by-step manner.
- b. The Cooperative may, at its option, install either a front or rear lot system.
- c. Grading and roadway work is substantially completed and at final grade.
- d. The developer provides the following:
 1. Right-of-way easements and covenants satisfactory to the Cooperative.
 2. A copy of the certified final plat of the development as it is recorded in the county, town, or city clerk's office. The plat will indicate easements, roads, finished grades, etc., and the location of all property pins.
 3. Necessary property pins to allow layout and construction of the Cooperative's facilities.

Any extension allowances to be considered by the Cooperative will adhere to the line extension economic justifications listed in Section 408.

406 MOBILE HOME PARKS

A mobile home park shall be defined as any subdivision or development wherein the majority of the mobile or modular homes are situated on lots, which are rented or furnished under a contract for deed. This definition does not include travel trailer or recreational vehicle parks.

In lieu of extensions pursuant to other provisions of these Terms and Conditions of Service, the Cooperative may require a developer who desires an extension to a prospective mobile home park to make a deposit or other guarantee based on the construction cost of the electric facilities to serve the mobile home park; the estimated energy usage per home; the estimated energy efficiency rating per home; and the estimated occupancy levels within the mobile home park.

The terms and conditions of such deposit or guarantee shall be specified in a contract for construction of electric facilities. Every extension shall be at all times the property of the Cooperative, regardless of whether a contribution is made in aid of its construction.

406.1 Overhead or Underground Extensions

The Cooperative will extend its overhead distribution facilities to serve in mobile home parks that are designed to serve mobile homes, as opposed to travel trailers, and at least six (6) lots will be provided initially, subject to the conditions listed in Section 405.1 above, and the following additional requirement:

- a. The developer must furnish suitable service disconnect and entrance equipment for each lot in accordance with National Electric Code requirements.

Any extension allowances to be considered by the Cooperative will adhere to the line extension economic justifications listed in Section 408.

407 NON-USE OF ELECTRIC SERVICE

If electric service to a member is not being used, the Cooperative may notify the owner in writing that if the service is not used the electric service will be subject to removal. At the convenience of the Cooperative, the service will be retired. Idle services may be left in place upon annual payment of a three hundred dollars (\$300.00) service retention fee.

If the service is requested to be rebuilt while the owner who was so notified still owns interest in the property, a payment to cover the labor cost of retiring and rebuilding the service will be required before the service is rebuilt.

408 LINE EXTENSION ECONOMIC JUSTIFICATION

If the Cooperative determines the need to calculate an economic justification for any further extension allowances in the appropriate sections above, the Cooperative will use costs both from the most recent cost analysis and cost of service study.

409 RELOCATION OR UPGRADE OF FACILITIES

The Cooperative will relocate its facilities on member’s premises at member’s request provided member has (1) provided a satisfactory easement for the new facilities; (2) paid in advance an estimate of all costs for the removal of the old facilities, less salvage value, and all costs for the construction of new facilities. If the Cooperative determines it is necessary to move its facilities because customer fails or refuses to allow the Cooperative access to Cooperatives’ facilities at any time then member may be billed the actual cost of relocation.

If member requests or Cooperative determines an upgrade of facilities is reasonably necessary, the member may be required to pay an amount not to exceed the actual cost of all construction.

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