

TERMS AND CONDITIONS OF SERVICE

Paulding-Putnam Electric Cooperative, Inc.

CODE OF REGULATIONS:

The cooperative shall be governed in its operations by the Code of Regulations as amended and approved by the membership. Any conflicts in the following Terms and Conditions of Service and the Code of Regulations shall be resolved with the Code of Regulations having precedence. All members should read and have a copy of the Code of Regulations. A copy can be obtained at the office of the cooperative or the cooperative's web site: www.ppec.coop.

APPLICATION FOR SERVICE

These Terms and Conditions of Service apply to service under Paulding Putnam Electric Cooperative's schedules which provide for distribution service.

A copy of these Terms and Conditions of Service and the schedules applicable to the consumer's class of business will be furnished upon request and the consumer shall elect upon which applicable schedule the consumer desires to be served.

All consumers of the cooperative will be considered members. An application process fee will be charged on the member's bill and terms and conditions of service will apply.

Before the cooperative shall be required to furnish service, the Cooperative may request that a consumer submit written specifications of electrical apparatus to be operated by service, and to furnish the cooperative a detailed sketch giving the location of the consumer's facilities. Such requests will be limited to specific instances where such information significantly assists the cooperative in designing and sizing its local facilities.

Written agreements will be required, before service will be commenced, from each consumer with annual average demand greater than 500 KW. A written agreement may be required by the Cooperative for a consumer whose annual average demand does not exceed 500 KW that has unusual or special service characteristics. If the consumer refuses to sign a written agreement, an agreement will still be effective as if the consumer had signed and said consumer will be charged under the appropriate schedule. A copy of the written agreement, contained on a form provided by the Cooperative, will be furnished to the consumer upon request at any time during the term of the agreement.

When the consumer desires delivery of energy at more than one point, each delivery point will be billed separately under a schedule applicable to the consumer's class of business at such point. Separate written agreements, if required under the above paragraph, will be made for each point of delivery.

DEPOSITS

The Cooperative will be entitled to pursue adequate assurance of payment for electric service if a consumer files for protection under provisions of the United States Bankruptcy Code.

The cooperative will pay interest on deposits made in accordance with legal requirements. The Cooperative will not pay interest on deposits more than one month after discontinuance of service to the consumer. Retention by the Cooperative, prior to final settlement, of any deposit or guarantee is not a payment or part payment of any bill

for service. The cooperative shall have a reasonable time in which to read and remove the meters and to ascertain that the obligations of the consumer have been fully performed before being required to return any deposit.

A deposit will be required, in accordance with the tariff as approved by the Board of Trustees, of all new residential member accounts where satisfactory proof of credit is not obtained. Any person, who does not presently hold a membership with Paulding-Putnam Electric Cooperative Inc., will be considered a new member account. It is recommended that all fees shall be paid in advance, before service is provided. Electric service will be disconnected should a deposit remain unpaid in the office of Paulding-Putnam seven (7) days from initial "connection" or "read-in".

Residential member deposits are held until the member demonstrates twelve (12) consecutive months of on-time payments to the cooperative. The cooperative shall pay simple interest on each deposit held. The interest rate shall be set annually.

Accrued interest shall be applied to the member's account annually. Following twelve (12) consecutive on-time payments any deposit monies plus accrued, unpaid interest shall be applied to the member's account. At the time service is disconnected, deposit monies plus accrued, unpaid interest shall be applied to the final bill of the member.

Commercial account deposits will be handled on an individual basis at the time service is requested. It shall be the responsibility of the Director of Finance and Administration to review commercial account applications and to receive necessary credit confirmations from the commercial member. A commercial credit form may be required at the discretion of the Director of Finance and Administration or the CEO/General Manager. Commercial deposits shall not exceed three (3) times the expected monthly usage of the commercial member (excluding bankruptcy) and will be based on the Agreement for Service of the commercial business.

All member accounts shall be subject to review for current payment history and credit standing. The CEO/General Manager and/or the Director of Finance and Administration shall have the authority, at any time, based on a member's payment history, to institute a deposit on an existing account or to increase an existing deposit amount to insure protection for the cooperative. Members shall be subject to a discontinuance of service for failure to pay a new or revised deposit as directed by the CEO/General Manager and/or Director of Finance and Administration.

When satisfactory proof of credit is required; whether for a residential or commercial account, the requirement shall meet with the approval of the Director of Finance and Administration for a determination. Proof of credit can be any of the following: Good credit report from PPEC credit check; credit reference from a previous utility company; a letter of credit from a bank or other financing institution; guarantee letter from a bank or other financing institution; or other form suitable to the Director of Finance and Administration.

PAYMENTS/BUDGET PAYMENTS

Bills will be rendered by the Cooperative to the consumer monthly in accordance with the schedule selected applicable to the consumer's service with the following exception:

Year-round residential and not-for-profit General Service Schedule consumers shall have the option of paying bills under the Cooperative's equal payment plan (Budget Plan), whereby the total service for the succeeding 12-month period is estimated in advance, and bills are rendered monthly on the basis of one-twelfth of the 12-month estimate. The Cooperative may at any time during the 12-month period adjust the estimate and the bills rendered in accordance with such estimate, to conform to the actual use of service being experienced. The normal equal payment period will be 12 months, commencing in any month selected by the cooperative. In those cases where billing is commenced during a month which leaves less than 12 months until the beginning of the next normal equal payment period to which the consumer is assigned, payments shall be calculated on the basis of the months in such period.

In case the actual service used during any equal payment period exceeds the bills as rendered on the equal payment plan, the amount of such excess shall be paid on or before the due date of the bill covering the last month of the equal payment period in which such excess appears, or such excess may be added to the estimated use of the next normal equal payment period of 12 months, and shall be payable in equal payments over such period, except that if the consumer discontinues service with the Cooperative under the equal payment plan, any such excess not yet paid shall become payable immediately. In case the actual service used during the equal payment period is less than the amount paid under the equal payment plan during such period, the amount of such overpayment shall, at the option of the cooperative, either be refunded to the consumer or credited on the consumer's last bill for the period.

Budget amounts for new members with less than 12 months history will be based on square footage of home, number of members in household, appliances available for use, heat source and water heater source, using the energy calculator available to member services reps.

If a consumer fails to pay bills as rendered on the equal payment plan, the Cooperative shall have the right to withdraw the plan with respect to such consumer and to restore the consumer to billing as provided for in the applicable schedules, in addition to any other rights which the cooperative may have under such schedules and terms and conditions of service in case of arrearage in payment of bills.

All bills from the Cooperative are due and payable by mail, electronic payment plan, or payment at the office of the cooperative within the time limits specified in the schedule. For the purpose of this Section, the United States Postal Service is not an authorized payment agent, and payments received through the Postal Service are considered paid when received at the Cooperative's business office. Failure to receive a bill will not entitle consumer to any discount or to the remission of any charge for nonpayment within the time specified. For purposes of this Section, the word "month" as

used therein and in the schedules is hereby defined to be the elapsed time between two successive meter readings approximately 30 days apart.

NON-SUFFICIENT FUNDS CHECKS

A consumer shall be charged for any dishonored check, in accordance with the tariff as approved by the Board of Trustees, received in payment for a bill rendered by the Cooperative, unless the consumer shows that the bank was in error. Additionally, the member will be charged, in accordance with the tariff as approved by the Board of Trustees, for electronic fund transfers and/or auto bank drafts if dishonored.

DENIAL OR DISCONTINUANCE OF SERVICE

The Cooperative reserves the right to refuse any applicant service if the applicant is indebted to the Cooperative for any service theretofore rendered at any location, provided the Cooperative shall advise applicant to such effect, and provided that indebtedness for one class of service shall not cause the refusal of service to a different class of service. The Cooperative reserves the right to discontinue to serve any consumer without notice in case of an emergency or to prevent theft from or fraud upon the cooperative.

If the Cooperative has not received payment within five business days of the applicable due date, the cooperative shall estimate usage where applicable, creating a balance due and consider the account delinquent. A Late Payment Penalty Charge in accordance with the tariff as approved by the Board of Trustees will be assessed.

All reasonable and available efforts are to be made in correspondence and conversation to educate the consumer regarding alternate solutions for delinquent accounts.

The Cooperative also reserves the right after at least ten (10) days' notice in writing to discontinue to serve any consumer (1) who is indebted to the Cooperative for any service theretofore rendered at any location (on other than equal payment plan accounts), and provided that indebtedness for one class of service shall not cause the disconnection of service to a different class of service (2) for failure to provide and maintain adequate security for the payment of bills as requested by the Cooperative, or (3) for failure to comply with these Terms and Conditions. Any discontinuance of service shall not release the consumer from past due balances nor any associated fees to the collection of said balances.

If the account is over 30 days delinquent a "disconnect letter" is sent to the current billing address stating the amount and the date due. The cooperative will assess a fee in accordance with the tariff as approved by the Board of Trustees.

As normal procedure during the heating season, November through March, all services notifying the Cooperative with an Authorized Medical Necessity affidavit will be given consideration on a month – by – month review.

A Cooperative employee performing a disconnection is not authorized to make any extended payment arrangement with the consumer, but will, in lieu of disconnection, accept payment of the delinquent amount including a collection trip charge in accordance with the tariff as approved by the Board of Trustees. If collection or disconnection is not possible, the cooperative will install a limiter at a fee in accordance with the tariff as approved by the Board of Trustees. The Cooperative may, when in its judgment its

employees would be subject to physical harm, require the payment to be by means other than cash. If no positive response to the “Final Disconnect warning” is received, the Cooperative reserves the right to disconnect service within 24 hours.

If no positive response to the final notice is received, disconnection is effected and any membership or deposit monies are applied to reduce the balance due. For qualified disconnections within the period from November 1 through March 1, the Cooperative reserves the right to the use of Load (amperage) limiting devices.

If a consumer has been disconnected, upon payment or proof of payment of the delinquent amount in addition to a reconnection fee along with the current bill as specified in the Tariffs, Fees & Charges Appendix, which represents the cost to the Cooperative for disconnecting and reconnecting a consumer during the Cooperative’s normal working hours, the Cooperative will reconnect the electric service on this same day, if such payment or proof of payment is made at the Cooperative’s office by 1:00 p.m., and otherwise as soon as possible but not later than the close of the Cooperative’s next regular working day. When such payment is made after 1:00 p.m. and the Cooperative’s employees cannot reconnect the service, reconnection will be at the overtime rate as specified in the Tariffs, Fees & Charges Appendix, an amount which recognizes the Cooperative’s average additional cost of reconnecting a consumer outside of normal working hours.

Reconnection of seasonally disconnected services shall be charged an amount which recognizes the Cooperative’s average additional cost of reconnecting a consumer as specified in the Tariffs, Fees & Charges Appendix. Additional fees may apply per the rate schedule of the service if the service is reconnected within 12 months of being disconnected.

Electric service will be reconnected when the account is paid in full. If the cooperative is not currently holding a security deposit, a security deposit will be required plus the applicable reconnection service charge. Upon imminent disconnection, the consumer shall call during business hours to confirm any personal check information.

CHANGE OF ADDRESS BY CONSUMER

It is the responsibility of an existing consumer to notify the Cooperative when service is to be discontinued, and to provide a mailing address for the final bill.

When the Cooperative receives notice from an existing consumer that the service is to be discontinued or from a prospective consumer that an existing service is to be transferred into the prospective consumer’s name, the Cooperative will, within three (3) regular business days, determine the meter reading for the final bill to the existing consumer. The existing consumer will be responsible for all service supplied to the premises until the prospective consumer notifies the cooperative to transfer the account or the service will be disconnected. Transfer of service to a qualified prospective consumer will not be delayed or denied because of nonpayment of the final bill by the former consumer, unless the former consumer continues to be a consumer of electric service at that premise. Capital credits will be mailed to last known address.

Service and Facilities

INSPECTION

It is to the interest of the consumer to properly install and maintain the consumer's wiring and electrical equipment and the consumer shall at all time be responsible for the character and condition thereof. It is the consumer's responsibility to assure that all inside wiring is in accordance with the requirements of the National Electric Code. The Cooperative makes no inspection thereof and in no event shall be responsible therefore.

Where a consumer's premises are located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Cooperative may withhold furnishing service to new installations until it has received evidence that the inspection laws or ordinances have been complied with. In addition, if such municipality or other governmental subdivision shall determine that such inspection laws or ordinances are no longer being complied with in respect to an existing installation, the Cooperative may suspend the furnishing of service thereto until it has received evidence of compliance with such laws or ordinances. The Cooperative may disconnect electric service to a premise where unsafe conditions exist.

Where the consumer's premises are located outside of an area where inspection service is in effect, the Cooperative may require the delivery, by the consumer to the Cooperative, of an agreement duly signed by the owner and tenant of the premises authorizing the connection to the wiring system of the consumer and assuming responsibility therefore.

No responsibility shall attach to the cooperative because of any waiver of these requirements.

SERVICE CONNECTION

The cooperative will, when requested to furnish service, designate the location of its service connection. The consumer's wiring must be brought outside the building wall nearest the cooperative's service wires so as to be readily accessible. The cooperative will provide the consumer a diagram for the type of service requested and the consumer is responsible for the installation of equipment as specified.

When a consumer desires that energy be delivered at a point or in a manner other than that designated by the cooperative, the consumer shall pay the additional cost of same.

An engineering impact study shall be completed for services requesting greater than 400 amps services. Consumer must provide a list of anticipated motor sizes of motors greater than 15 hp connected to the service. In addition, the consumer must also list the type of starter that will be used to start each motor. Variable frequency drive starters must not use a carrier frequency of 12.5 kHz +/- 2.5 kHz as this has the potential to interfere with the Cooperative's communication to area meters.

The Cooperative requires that a minimum of a driveway, well, and septic system be in place before permanent electric service is installed for new residential services. Subdivisions shall have installed roads, curbs, sanitary, storm, water, and final grade

completed prior to the Cooperative installing primary or secondary underground equipment.

Easements for each new service request shall be granted, notarized, and recorded prior to the installation of permanent electrical service. This shall include easements required of adjoining landowners. No monetary payment shall be made for such easements to the cooperative's consumers. Any monetary payment necessary for easements of non-consumers shall be included as "Aid to Construction" and be the responsibility of the consumer requesting service.

SECONDARY UNDERGROUND/OVERHEAD SERVICE

Member will pay the costs associated with the trench and conduit for the original installation of secondary underground conductor. The trench shall be at least 30" deep. The Cooperative will install the wire and make connections after the trench is ready.

If a meter is installed on the house, the consumer will run the wire from the bottom lugs of the meter base to the main disconnect panel located no more than 6 wire feet from the meter. For overhead services, the consumer will also install the wire from point of entrance, extending at least 18 inches beyond the building, to the top lugs of the meter base. If a meter is installed on the pole, the consumer will install a fusible disconnect device on the pole below the meter base.

Any mobile home requesting underground service will pay the full cost of the underground wire, conduit, and trench. They are also required to purchase a combination meter base / fusible disconnect at the current cost to the Cooperative.

To provide new service to a given location, the cooperative will charge an "Aid to Construction" fee in accordance with the tariff as approved by the Board of Trustees for installation of any service where requirements are installation of a service pole for placement of meter and service wires. In such case, a combination meter base / fusible disconnect shall be provided and installed by the Cooperative. The "Aid to Construction" fee will include the labor and cost of material and will be billed at the current cost to the Cooperative.

If a combination meter base / fusible disconnect is purchased by the consumer from the Cooperative, the consumer shall be responsible for the maintenance of the breakers within the combination unit. The point of common coupling; the point at which the Cooperative's responsibility ends and the Consumer's responsibility begins, shall be the bottom lugs within the meter portion of this unit. The cooperative will install the combination meter base / fusible disconnect on a pole; however, the consumer will be responsible for the installation on any other structure.

Residential

A line extension, for purposes of this policy, shall include all incremental capital costs associated with connecting a new customer to the delivery system, excluding the cost of a standard transformer, service line (the connection between the transformer and the meter), and meter.

(A) Extensions to Single Customers

- (1) Paulding Putnam Electric Cooperative, Inc. in extending service to a permanent customer that will be served pursuant to its Residential Rate RI, RI-TOD, RO, and RO-TOD shall charge a contribution in aid of construction (“CIAC”) on the cost of providing service in excess of \$1,300.
- (2) If, within a 5 year period, additional customers take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$1,300 for each additional customer taking service, up to the amount of the original applicant’s contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(B) **Multiple Applications for Service**

- (1) When two or more applications result in the applicants receiving permanent service from the same extension, the amount of extension installed at no charge shall be the number of applicants times \$1,300.
- (2) If, within a 5 year period, additional customers take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions thereof, the original applicants shall be refunded an equal share of \$1,300 or the amount of the original contribution, whichever is less, for each additional customer taking service, up to the amount of the original applicant’s contribution. In no event shall the original applicants be refunded an amount greater than their initial contribution. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(C) **Electric Extension to a Development**

- (1) When service is requested to a development prior to actual construction or occupation of the project, Paulding Putnam Electric Cooperative, Inc. shall charge a non-refundable prepay of the CIAC of \$100 per lot. The prepayment shall be applied as a future credit against any CIAC. Paulding Putnam Electric Cooperative, Inc. shall charge a CIAC based on an estimate of expected net

revenue from the number of lots that Paulding Putnam Electric Cooperative expects to be occupied at the end of five years from the date of construction. Net revenue is the annual expected revenue from a customer less the purchase power costs associated with serving that customer.

If the cost of extending service to the development is less than 3 times the estimated annual net revenue, no CIAC is required from the developer. If the cost of extending service to the development is greater than 3 times the estimated annual net revenue, the developer shall be required to make a CIAC toward the total installed cost of extending service. The developer's CIAC shall be determined by subtracting an amount equal to 3 times the estimated annual net revenue determined above from the cost of extending service.

- (2) Any and all line extension contracts and agreements between Paulding Putnam Electric Cooperative and any developer, existing as of the effective date of this policy, shall remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.

(D) **Extension to a Condominium or Apartment Building**

- (1) When service is extended to a Condominium or Apartment building, Paulding Putnam Electric Cooperative shall charge a CIAC based on an estimate of expected net revenue from the number of units that Paulding Putnam Electric Cooperative expects to be occupied at the end of five years from the date of construction. Net revenue is the annual expected revenue from a customer less the purchase power costs associated with serving that customer.

If the cost of extending service to the condominium or apartment building is less than 3 times the estimated annual net revenue, no CIAC is required from the developer. If the cost of extending service to the condominium or apartment building is greater than 3 times the estimated annual net revenue, the developer shall be required to make a CIAC toward the total installed cost of extending service. The developer's CIAC shall be determined by subtracting an amount equal to 3 times the estimated annual net revenue determined above from the cost of extending service.

(f) **Extension to a Non-Permanent Structure**

- (1) When service is extended to a non-permanent structure (which includes, but is not limited to, electric fences, water pumps, sheds, hunting camps, and fish camps),

the applicant will make a CIAC equal to the total installed cost of extending service.

- (2) If, within a 5 year period, additional customers take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$1,500 for each additional customer taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

All Other Rate Schedules

Paulding Putnam Electric Cooperative, in extending service to a permanent customer that will *not* be served pursuant to Residential Rate RI, RI-TOD, RO, and RO-TOD shall charge a CIAC equal to the total installed cost of extending electric service to the customer. After the initial 36 months (3 years) of service, Paulding Putnam Electric Cooperative shall perform a revenue test to determine what amount, if any, of the original contribution will be refunded to the customer. Paulding Putnam Electric Cooperative shall refund to the customer an amount equal to the customer's actual net revenue during the initial 36 months of service, up to but not exceeding the customer's original CIAC. The customer's actual net revenue shall be determined by subtracting purchase power costs from the customer's total bill before taxes for the first 36 months.

If the customer requesting service has similar existing facilities in other locations that would allow Paulding Putnam Electric Cooperative to accurately forecast the customer's annual net revenue, Paulding Putnam Electric Cooperative may not collect the full cost of the extension prior to the customer receiving service. Instead Paulding Putnam Electric Cooperative would perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the customer is less than 3 times the customer's estimated annual net revenue, no CIAC is required from the customer. If the cost of extending service to the customer is greater than 3 times the customer's estimated annual net revenue, the customer shall be required to make a CIAC toward the total installed cost of extending service. The customer's CIAC shall be determined by subtracting an amount equal to 3 times the customer's estimated annual net revenue from the cost of extending service.

However, in the event that the full cost of extending service is not collected prior to the customer taking service, Paulding Putnam Electric Cooperative will, at the end of the initial 36 months of service, perform a revenue test to determine if a CIAC will be required from the customer. If the initial cost of extending service to the customer is less than the

customer's actual net revenue for the first 36 months, no additional CIAC is required from the customer. If the cost of extending service to the customer is greater than the customer's actual net revenue for the first 36 months, an additional CIAC may be required from the customer. The additional CIAC, if any, shall be determined by comparing the Contribution amount determined by applying 3 times the estimated net revenue when the customer initially took service, and the contribution amount determined by examining the customer's actual net revenue for the first 36 months of service. If the contribution amount determined from the customer's actual net revenue is greater than the contribution amount determined using the customer's estimated net revenue, the customer shall make an additional CIAC equal to the difference in the contribution amount determined from the customer's actual revenue and the contribution amount determined from the customer's estimated revenue. In no case shall any of the customer's initial contribution be refunded.

NOMINAL VOLTAGE LEVELS

The cooperative has established the following nominal service voltages of which at least one of the following characteristics shall be made available to a consumer, the particular voltage and service characteristics to be at the option of the Cooperative:

Secondary Distribution System – alternating current, 60 cycles at nominal voltages of 120/240, or 240/480 volts, single phase; and 120/208, 120/240, 240/480, and 277/480 volts, 3 phase.

Primary distribution System – alternating current, 60 cycles at nominal voltages of 12,470 volts, 3 phase.

The Cooperative shall design and operate its system so that under normal operating conditions the voltage delivered at the consumer's service entrance, for the voltages listed above, is maintained within the range of plus or minus 5% of the nominal voltage. Wherever voltages shall be known to exist outside of such range, the cooperative will promptly initiate corrective action to restore the voltage level to within such range.

COOPERATIVE'S LIABILITY

The cooperative will use reasonable diligence in furnishing a regular and uninterrupted supply of energy but does not guarantee uninterrupted service. The cooperative shall not be liable for damages in case such supply should be interrupted or fail due to an act of God, the public enemy, accidents, labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the cooperative, extraordinary repairs, or any act of the cooperative, including the interruption of service to any consumer, taken to prevent or limit the extent or duration of interruption, instability or disturbance on the electric system of the cooperative or any electric system interconnected, directly or indirectly, with the cooperative's system. When such act is necessary or indicated is the sole judgment of the cooperative.

Unless otherwise provided in a contract between the cooperative and consumer, the point at which service is delivered by the cooperative to the consumer, known as “delivery point”, shall be the point at which the consumer’s facilities are connected to the cooperative’s facilities. The cooperative shall not be liable for any loss, injury, or damage resulting from the consumer’s use of the consumer’s equipment or occasioned by the energy furnished by the cooperative beyond the delivery point.

The consumer shall provide and maintain suitable protective devices on the consumer’s equipment to prevent any loss, injury, or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The cooperative shall not be liable for any loss, injury, or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

Except as otherwise provided in this Section, the cooperative shall be liable to the consumer for damage directly resulting from interruptions, irregularities, delays, or failures of electric service, caused by the gross negligence of the cooperative or its employees or agents, but any such liability shall not exceed the cost of repairing or placing equipment, appliances, and perishable food stored in a consumer’s residence damaged as a direct result. The consumer must notify the cooperative of any claim based on such gross negligence within thirty (30) days after the interruption, irregularity, delay or failure begins. The cooperative shall not be liable for consequential damages of any kind. This limitation shall not relieve the cooperative from liability which might otherwise be imposed by law with respect to any claims for personal injuries to the consumer.

The cooperative will provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the cooperative and the cooperative shall be granted ready access to the same, except to read inside meters. Such access to inside meters shall be granted upon reasonable request to residential consumer during regular business hours.

Approval of the above schedule language by the Board does not constitute a determination by the Board that the limitation imposed by the cooperative should be upheld in a court of law. Approval by the Board merely recognizes that since it is a court’s responsibility to adjudicate negligence and consequent damage claims, it is also the court’s responsibility to determine the validity of the exculpatory clause.

CONSUMER’S LIABILITY

In the event the consumer is unable to receive electric energy in the full amount contemplated by the consumer’s regular service arrangements for a period in excess of fifteen (15) full days as a result of fire, explosion, flood, accident, breakdown or acts of God or the public enemy, said consumer shall not be liable to the Cooperative for minimum demand or billing charges for which the consumer normally would be liable pursuant to the schedule and/or contract during the period of service decrease of electricity usage, provided:

- A. The consumer notifies the cooperative in writing of the consumer's inability to receive service as a result of one or more of the above specified event(s); and
- B. said notice includes (in addition to any other pertinent information):
 - 1. Extent (or magnitude) of the service decrease
 - 2. Date of the event
 - 3. Cause of the event
 - 4. Probable duration of the service decrease; and
- C. the consumer is prompt and diligent in removing the cause of the service decrease; and
- D. the consumer submits a report to the cooperative at least every thirty days following the event explaining the consumer's progress toward removing cause of the service decrease; and
- E. the consumer pays, pursuant to the consumer's schedule and/or contract, for all service rendered prior to the service decrease.

In no event, however, shall this provision affect minimum demand or billing charges in any billing period to the date on which the cooperative received the consumer notice required above, unless that notice is received within fifteen days of the above specified events.

During the period that the terms of this provision shall be in effect, the consumer shall pay for all service received. The charges for such service being determined pursuant to the schedule under which the consumer had been served prior to the event except for the minimum demand or billing charges which were waived as a consequence of this provision. Under no circumstance shall the waiver, of the minimum demand or billing charges, extend beyond the time of the cause of the service decrease removal. On the date that the cause of the service decrease was removed, billing shall resume pursuant to the consumer's schedule and/or contract.

Any contract, which has been affected by the application of this provision, shall have its term extended for a period of time equal in length to the duration of service decrease.

If the event causing the service decrease is of such severity that the consumer decides not to continue in business at the affected location, and so notifies the cooperative in writing, the above provision will not be applied. Under such circumstances the consumer will pay to the cooperative (1) a sum equal to the value of the cooperative's estimated original plant in service including the cost of the transmission lines and other equipment erected or reserved specifically for that consumer's use, less accumulated depreciation and less the net salvage value of that equipment, or (2) any remaining demand or minimum bill charges due under the contract or any extension thereof resulting from application of this provision.

Meter tampering is a crime pursuant to Ohio Revised Code 4933.18 & 170 IAC 4-1-16 in Indiana. In the event of loss or injury to the property of the cooperative through misuse by, or the negligence of, the consumer or the employees of same, the cost of the necessary repairs or replacement thereof shall be paid to the cooperative by the consumer.

Consumers will be responsible for tampering with, interfering with, or breaking of seals of meters, or other equipment of the cooperative installed on the consumer's premises. The consumer hereby agrees that no one except the employees of the cooperative shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the cooperative. To recover costs for such actions, the cooperative will use time and material, estimated unrecorded usage, damaged equipment and known costs of recovery.

The cooperative shall have the right during regular working hours and in emergencies to enter the premises of the consumer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of the apparatus and property, and the right of entire removal of the cooperative's property in the event of the termination of the contract for any cause. The consumer will keep the area where the cooperative's apparatus and property are located free from obstruction, danger and/or safety hazards. The cooperative's agent will, upon request, show credentials and state the reasons for requiring access.

Pursuant to the Code of Regulations, these Terms and Conditions of Service and the cooperative's rate schedules all members are required to provide, at no charge, a right-of-way for all necessary line construction for the member's service or for service to adjacent member's service. Any person seeking membership who refuses to grant a reasonable right-of-way for line construction shall not receive service from the cooperative.

TEMPORARY SERVICE

Consumers, who have seasonal operations at permanent locations, must contract for permanent service under a schedule applicable to the consumer's class of business and will be subject to the terms of that schedule including the minimum bill. If service is disconnected to avoid a monthly minimum, a reconnect fee will be charged in accordance with the tariff as approved by the Board of Trustees.

The consumer will purchase temporary service under any schedule applicable to the consumer's class of business and will, in addition, pay to the Cooperative, in advance, the Cooperative's estimated total cost of installing and removing its facilities necessary for the temporary service. There will be a charge for installation and/or removal of an interim electric service in accordance with the tariff as approved by the Board of Trustees. The charge shall be calculated based on the actual cost of materials and labor. All fees calculated under this policy shall be paid in advance of service being provided. The total cost will include all material, labor and overheads with appropriate credits being given to salvageable material and to facilities to be used in subsequent permanent service.

Paulding-Putnam will extend its primary facilities 200 feet at no charge. It would then be the responsibility of the consumer to pay construction costs beyond 200 feet.

Temporary service supplied for a period less than one full month will be billed on the basis of a full month's schedule billing, including the minimum charge if applicable.

LOCATION AND MAINTENANCE OF COOPERATIVE'S EQUIPMENT

As required to provide electric service to a consumer, the Cooperative shall have the right to construct and maintain its poles, lines, circuits and other necessary facilities on the consumer's property, and to place its transformers and other apparatus on the property or within the buildings of the consumer, at a point or points mutually acceptable to the Cooperative and the consumer for such purpose. The consumer shall provide suitable space and access to same, for the installation and maintenance of necessary measuring instruments and other facilities, so that they may be protected from injury by the elements or through the negligence or deliberate acts of the consumer or of any employee of the same, or any other party.

Members shall provide, at no cost, a right-of-way easement for all line construction in conjunction with the cooperative providing service to the member. Any proposed member who

refuses to provide right-of-way shall be denied service by the cooperative. It shall be the member's responsibility to secure a right-of-way easement from adjacent landowners, if necessary, for the construction of facilities to the proposed member's location.

Consumer shall not place permanent structures, landscaping, sidewalks, decks, trees, or any other items which may interfere with the construction or maintenance of this equipment on or within five feet of the Cooperative's electrical equipment, including but not limited to poles, buried conductors, transformers, meters, and meter bases. If such items are found in the course of power restoration, the Cooperative will take the necessary steps needed to restore power. The consumer will be responsible for any damage done to these items and for correcting the violation in a manner acceptable to the Cooperative to prevent future delays.

It is the policy of the cooperative to construct and maintain electric lines and facilities in such manner as to provide, area coverage, electric service in the most efficient manner possible for the benefit of the cooperative membership. It is recognized that the useful life of these electric facilities may typically extend to 40 years and beyond, and that during this useful life, the placement or location of existing facilities may from time to time conflict with planned redevelopment of the land or cause inconvenience, displeasure, or financial disadvantage to individuals or entities located along or adjacent to these facilities.

It is the policy of the cooperative to analyze requests for the relocation of electric facilities based upon the following guidelines. In applying these guidelines, the age and physical condition of the facilities, maintainability of the facilities as related to location and any other benefits to relocation may provide to the cooperative will also be considered.

In instances where a request for relocation is based upon or has the purpose of, individual financial gain, personal convenience, support of hobby, aesthetics, etc., the cooperative will develop a relocation plan satisfactory to the requesting individual and will estimate the costs of implementing such plan with a charge for moving any pole in accordance with the tariff as approved by the Board of Trustees. This cost estimate shall include the sacrifice life value of existing facilities less salvage value, the cost of removing existing facilities, and the cost of installing replacement facilities. This cost estimate shall serve as the basis for payment for relocation by the requesting individual. Following payment by the requesting individual of the cost estimate, the Cooperative will proceed with the planned relocation.

In instances where a request for relocation is based upon or has the purpose of permitting the construction of a bona fide permanent residence, business, or industry, which construction would not reasonably be possible without such relocation, the cooperative will develop a relocation plan satisfactory to the requesting individual and will proceed with the relocation following receipt of proof that such construction will immediately commence.

In instances where the cooperative determines that the relocation of its existing facilities is necessary for the safety of the general public or that such relocation would otherwise serve the public interest, the Cooperative will proceed with such relocation.

The Cooperative's share of relocating electric facilities shall not exceed \$15,000 annually. The member is to pay for 25% of the cost in advance of the most economical way (overhead-underground). Any additional cost that is incurred will be paid by the member. In underground situations, the member is responsible for drainage tile. A list of members requesting relocation of electric facilities is to be kept by the Engineering and Operations Manager on a first come, first serve basis.

Resale of energy will be permitted only by legitimate electric public utilities subject to the jurisdiction of the Public Utilities Commission of Ohio and only by written consent of the Cooperative. In addition, resale of energy will be permitted for electric service and related billing as they apply to the resale or redistribution of electrical service from a landlord to a tenant where the landlord is not operating as a public utility, and the landlord owns the property upon which such resale or redistribution takes place.

If a consumer requests the cooperative to combine two or more existing services into one service, they will be required to pay for all labor, material, and overhead associated with the project. Service upgrades require fusible disconnects, supplied and installed by the consumer, which shall be connected within six (6) wire feet of the meter base.

ATTACHMENTS & UNAUTHORIZED COMMUNICATIONS DEVICES PROHIBITED

No wires, cables, guys, structures, equipment, hardware or any appurtenance of whatever character owned by any individual, firm, or corporation shall be attached, connected, supported or otherwise make use of any poles, equipment, facilities or any appurtenance owned by the Cooperative unless approved by the Cooperative or covered by a special written rental contract between Cooperative and the individual, firm, or corporation involved.

Devices connected to Member's facilities which transmit signals beyond Cooperative's service drop connection to Member's service entrance are prohibited. The Cooperative shall not be liable for damage or interference caused by Member-owned communication devices.

Any unauthorized use of Cooperative's equipment or facilities by others shall be subject to the removal of all unauthorized attachments or appurtenances by Cooperative without any prior notice being given to the violator or trespasser.

USE OF ENERGY BY CONSUMER

The schedules for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided therein.

It shall be understood that upon the expiration of a contract the consumer may elect to renew the contract using the same or another schedule published by the cooperative and applicable to the consumer's requirements, except that in no case shall the Cooperative be required to maintain distribution, switching or transformation equipment (either for voltage or form of current change) different from or in addition to that generally furnished to other consumers receiving electrical supply under the terms of the schedule elected by the consumer.

A consumer may not change from one schedule to another during the term of contract except with the consent of the Cooperative.

The service connections, transformers, meters and appliances supplied by the Cooperative for each consumer have a definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Cooperative.

The consumer shall install only motors, apparatus, or appliances which are suitable for operation with the character of the service supplied by the Cooperative, and which shall not be detrimental to same, and the electric power must not be used in such a manner as to cause, unprovided for, voltage fluctuations or disturbances in the cooperative's distribution system. The

cooperative shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliance is or will be detrimental to its general service.

No attachment of any kind whatsoever may be made to the Cooperative's lines, poles, cross arms, structures, or other facilities without the express written consent of the Cooperative.

All apparatus or appliance used by the consumer shall be of such type as to secure the highest practical commercial efficiency, power factor and the proper balancing of phases. Motors which are frequently started or motors arranged for automatic control, must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Cooperative. The consumer agrees to promptly notify the Cooperative prior to any significant increase or decrease in the consumer's connected load, which could impact the capacity requirements of the Cooperative's local facilities.

The operation of certain electrical equipment can result in disturbances (e.g., voltage fluctuations, harmonics, etc.) on the cooperative's distribution systems which can adversely impact the operation of equipment for other consumers. Non-residential consumers are expected to abide by industry standards, such as those contained in ANSI/IEEE 519 and the IEEE/GE voltage flicker criteria, when operating such equipment. The Cooperative may refuse or disconnect service to non-residential consumers for using electricity or equipment which adversely affects distribution service to other consumers.

The Cooperative will not supply service to consumers who have other sources of energy supply except under schedules which specifically provide for same. The term "other sources of energy supply" as used in these Terms and Conditions of Service or in any of the Cooperative's schedules shall mean "other sources of electric energy supply" except where the Cooperative provides service as standby or partial standby for a source of energy other than electric energy.

The consumer shall not be permitted to operate the consumer's own generating equipment in parallel with the Cooperative's service except by written permission of the Cooperative.

REBATES:

The cooperative may, from time to time, offer a rebate for specific appliances or energy efficient devices to encourage the responsible, economic or efficient use of energy. The rebate program may change or be discontinued at any time, with or without notice to the members. The rebate program will be used in conjunction with the cooperative's load management program. Members will be required to participate in the load management program to receive any rebate that may be offered.

METER REGISTRATION AND TESTING

The Cooperative regularly tests meters on a ten year cycle. Any meter registering between 2% fast and 2% slow will be considered to be registering correctly. If the consumer requests an additional meter test within three years of a previous test, a meter test fee will apply as outlined below.

The Cooperative will, upon request of the consumer, test any meter suspected of improper registration. If the meter is found to be registering correctly, the consumer shall be billed by the Cooperative a fee in accordance with the tariff as approved by the Board of Trustees. If a meter test indicates the meter to be running more than 2% fast, the fee shall be refunded or applied to the consumer's account along with a credit in proportion

to the amount that the meter is in error. Only the electric bills for the prior three (3) months will be adjusted unless evidence can determine any amount of time involving incorrect billing as agreed upon by the consumer and the Cooperative. Any meter found registering correctly will be resealed and the date and results of the test entered on the Cooperative's records. The Cooperative will replace at its expense any meter registering incorrectly and make billing corrections.

BILLING CORRECTIONS

If the amount of energy consumed is not properly registered by a meter for any reason, or is not properly charged to the consumer's account, the Cooperative will, for the period of time that incorrect billings can be established, adjust the meter readings and billings to reflect all available information concerning the actual use by the consumer. Any resulting overpayment will be paid or credited to the consumer. Except as provided below, any underpayment, not to exceed the length of time of the under billing, except at the Cooperative's discretion, will be billed to the consumer. The Cooperative will, if the consumer requests, attempt to arrange a reasonable payment schedule in the event of underpayment. Should the amount of the adjustment be under dispute, the Cooperative will continue to supply service and the consumer shall continue to pay the amounts billed until a final determination is made.

SERVICE CLASSIFICATION

ESTIMATED METER READING

The Cooperative may, from time to time, use an estimated meter reading to bill consumers. In no case shall the Cooperative use estimated meter readings in excess of two (2) consecutive months.

RESIDENTIAL SERVICE

Individual residences shall be served individually under a residential service schedule. The consumer may not take service for two or more separate residences through a single meter under any schedule, irrespective of common ownership of the several residences, except in the case of an apartment house with a number of individual apartments, the landlord shall have the choice of providing separate wiring for each apartment so that the Cooperative may supply each apartment separately under the residential schedule, or of purchasing the entire service through a single meter under the appropriate general service schedule.

Where a single-family house is converted to include separate living quarters or dwelling units for more than one family, or where two or more families occupy a single-family house with separate cooking facilities, the owner may, instead of providing separate wiring for each dwelling unit, take service through a single meter under the residential service schedule. In such case, there will be a single consumer charge.

The residential service schedule shall cease to apply to that portion of a residence which becomes primarily used for business, professional, institutional or gainful purposes. Under these circumstances, consumers shall have the choice (1) of separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service schedule and the other uses as enumerated above are served through a separate meter or meters under general service schedule; or (2) of taking the entire service under the appropriate

general service schedule. Larger motors may be served where, in the Cooperative's sole judgment, the existing facilities of the cooperative are adequate.

Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the consumer's residence wiring through the residence meter provided no business activities are transacted in the detached buildings.

In the event a detached garage or other facility on a residential consumer's property is separately served and metered, such facility shall accordingly be metered and billed according to the appropriate general service rate.

GENERAL SERVICE:

The cooperative will provide service to other non-residential or non-commercial type facilities under one of the General Service rate schedules. A General Service rate shall apply to any facility not classified as either Residential or Commercial. By example, a detached garage, stable or barn when not served as an extension of the consumer's residential wiring, a single-phase grain holding facility or a well pump when billed to a non-commercial entity. Schools, churches, social organizations that are non-profit organizations shall be eligible for the General Service rate when single-phase service is provided.

COMMERCIAL SERVICE:

Any service not defined specifically as Residential or General Service or any location or facility primarily used for business, professional, institutional or gainful purposes. All three-phase services shall be billed under the appropriate commercial or large power rate schedule. All commercial service accounts and members shall provide necessary proof of ownership and federal tax identification number.

Operational Policy for Qualifying Cogeneration and Small Power Production Facilities

PURPOSE:

- A. To provide compliance by the Cooperative with the requirements of Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), as amended, and all governmental regulations lawfully promulgated thereunder.
- B. To encourage the development of cogeneration and small power production facilities which will conserve oil, gas, coal and other nonrenewable resources in accordance with the requirements of PURPA.
- C. To offer a fair, reasonable and nondiscriminatory procedure through which the Cooperative may interconnect with qualifying cogeneration and small power production facilities in accordance with the requirements of PURPA.

PROCEDURE:

The provisions of this policy will extend to all facilities as defined by the Federal Energy Regulatory Commission as qualifying cogeneration facilities or small power production facilities located within the service territory of the Cooperative.

A. Qualifying Cogeneration Facility:

Cogeneration is the combined production of electric energy and useful heat by the sequential use of energy from one fuel source. A qualifying cogeneration facility is one which meets the ownership test as well as the operating and efficiency standards and all other definitional requirements of PURPA.

B. Qualifying Small Power Production Facility:

A small power production facility is a facility generating not more than 80 megawatts of electric power through the employment of renewable resources such as water power, solar energy, wind energy, geothermal energy, biomass or waste, as a primary fuel and meeting all other definitional requirements of PURPA.

QUALIFYING FACILITY:

A qualifying facility means any qualifying cogeneration facility or qualifying small power production facility.

- A. The Cooperative will interconnect with and operate in parallel with any qualifying facility which meets all of the Cooperative's rules and regulations.
- B. The Cooperative will net meter the energy of each qualifying facility having a design capacity of 25 kilowatts or less in circumstances where the output of such facility is not reasonably anticipated to exceed the annual electric energy requirements of the consumer and provided that the total aggregate electric generating capacity of all qualifying facilities interconnected to the electric distribution systems of the members of Buckeye Power, Inc. (Buckeye) and net metered does not exceed 1% of Buckeye's aggregate peak electric demand of all of the Buckeye members, at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of the Cooperative.
- C. Buckeye will purchase the energy and associated capacity of each qualifying facility, at rates and upon terms and conditions as set forth in the rules, regulations, policies and applicable rate schedules of Buckeye, in the following circumstances:
 - (1) When the output of the qualifying facility is greater than 25 kilowatts but less 1 megawatt; or

- (2) When the output of the qualifying facility up to 25 KW is reasonably anticipated to exceed the annual electric energy requirements of the consumer; or
 - (3) When the total aggregate electric generating capacity of all qualifying facilities interconnected to the electric distribution systems of the Buckeye members and net metered exceeds 1% of Buckeye's aggregate peak electric demand of all of the Buckeye members; or
 - (4) When the output of the qualifying facility is equal to or greater than 1 megawatt and Buckeye, the Cooperative, and the consumer have agreed on the terms and conditions for service;
- D. Purchases of electric energy and the associated capacity from a qualifying facility having a design capacity of 1 megawatt or greater shall be at rates and upon terms and conditions to be determined on a case by case basis and provided by contract between Buckeye and the qualifying facility owner. The purchase of electric energy and the associated capacity from such a qualifying facility will be at a rate which reflects at least Buckeye's actual avoided costs, taking into account all relevant factors.
 - E. The Cooperative will sell electric energy and the associated capacity to any net metered qualifying facility at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
 - F. The Cooperative will sell back-up supplementary energy and the associated capacity to any qualifying facility whose output is purchased directly by Buckeye, at rates and upon terms and conditions as specified in the Cooperative's applicable rules, regulations, policies and rate schedules.
 - G. The owner or operator of a qualifying facility who desires to interconnect the facility with the electric system of the Cooperative shall pay all costs associated with the interconnection.
 - H. The owner or operator of a qualifying facility who desires to interconnect the facility shall have completed all registration documents as required by the FERC and shall have obtained written proof of the operators status as a qualifying facility as required by the FERC and PURPA.
 - I. The Cooperative shall develop and administer rules, regulations and one or more rate schedules in cooperation with Buckeye covering interconnections with and purchases from qualifying facilities which have a design capacity of less than 1 megawatt.
 - J. The Cooperative shall cooperate with Buckeye in developing on a case by case basis, agreements covering interconnection with any qualifying facility having a design capacity of 1 megawatt or more.

Rules and Regulations for Qualifying Cogeneration and Small Power Production Facilities

To provide for the safety of consumers, Cooperative personnel and the public in general, and to assure reliable electric service consistent with the Public Utility Regulatory Policies Act of 1978, and the Cooperative's Operational Policy relating to qualifying cogeneration and small power production facilities, the following rules and regulations are established for connection and operation of consumer-owned or operated qualifying facilities, as defined in the aforementioned Operational Policy, in parallel with the Cooperative's electric distribution system.

These rules and regulations apply to all qualifying facilities having a capacity of less than 1 megawatt. Qualifying facilities of 1 megawatt or more of capacity will be treated on an individual case by case basis. These rules and regulations apply to both existing and proposed installations, and are subject to change from time to time as may be deemed necessary or desirable by the Cooperative or as may be required by governmental authorities.

- A. The owner or operator of a qualifying facility shall submit for Cooperative review and approval detailed electrical circuit diagrams of the installation, equipment nameplate data for interface devices and control systems and a site plan. Such submittal shall be in sufficient detail to provide reasonable assurance that the qualifying facility can at all times be operated in a safe, reliable and lawful manner. Without limiting the generality of the foregoing, the owner or operator of a qualifying facility shall submit to the Cooperative a completed Application for Interconnection and Parallel Operation in the form attached hereto as Exhibit A. As a part of its review process, the Cooperative may require an opinion as to the safety and reliability of the system from a licensed professional engineer. No qualifying facility shall be connected to the Cooperative's electric system without the Cooperative's advance approval of such facility as being in compliance with these rules and regulations.
- B. The completed installation must meet all applicable local, state and national codes, regulations or other laws, and is subject to inspection by any authorities having jurisdiction before commencement of a parallel operation. The installation must also comply with the Cooperative's Technical Guidelines for Interconnection and Parallel Operation attached hereto as Exhibit B. The Cooperative may inspect or require a test of the facility at any time without advance notice.
- C. The owner or operator shall pay for all costs associated with any addition or alteration to the Cooperative's system required for metering and for the safe and reliable operation of the qualifying facility in parallel with the Cooperative's electric system. Where alterations to the Cooperative's electric system are required due to the collective presence of two or more qualifying facilities operating in parallel with the Cooperative, the cost of such additions or alterations shall be shared by those owners or operators on an equitable basis

to be determined by the Cooperative. If the cost is greater than \$5,000, the Consumer may elect to utilize the Aid to Construction Utility Agreement, attached.

- D. An approved disconnecting device operable by the Cooperative and suitable for disconnecting the qualifying facility from the Cooperative's lines may be required. Any such device shall be operated in accordance with the procedures agreed to by the owner or operator and the Cooperative.
- E. After the initial installation and acceptance by the Cooperative of a qualifying facility, the owner or operator shall obtain approval from the Cooperative prior to making any revisions to the qualifying facility, interface equipment, control devices, or protective system.
- F. The control and protective system and site plan of the qualifying facility must be approved by the Cooperative. The control and protective system must operate in accordance with these safety and reliability standards:
 - 1. The system shall provide for the immediate automatic shutdown or separation of the qualifying facility's generator and storage devices from the Cooperative's lines in the event of any of the following conditions, whether emanating from the Cooperative's system or the qualifying facility:
 - a. Momentary or extended interruption of power on the Cooperative's lines serving the qualifying facility.
 - b. Deviation of frequency or voltage on the Cooperative's lines serving the qualifying facility from within the Cooperative's normal standards.
 - c. If the qualifying facility is operating in parallel with three phase service, existence of abnormal rotation of phases or existence on any phase or phases of a condition listed in (a) or (b) above.
 - 2. The shutdown or separation shall continue until the interruption, deviation, or abnormal condition listed in (1) above has been eliminated and all applicable parameters listed in (1) are returned to within the Cooperative's normal standards.
- G. In the event the Cooperative determines in its sole judgment that the qualifying facility poses any safety hazard to any person or property, poses a hazard to the reliability of the Cooperative's electric system or any system with which it is connected, unreasonably interferes with the use and enjoyment of property by any person, or that the qualifying facility's protective equipment is operating improperly, the Cooperative, through its authorized personnel, shall have the right to enter onto the property where the qualifying facility is located and immediately disconnect the qualifying facility from its lines.

- H. The owner or operator shall pay all costs of changes for safety purposes or repairs or losses due to adverse effects on the equipment or facilities of other consumers or the Cooperative itself caused by the connection or operation of a qualifying facility.
- I. Should parallel operation of a qualifying facility cause interference or adversely affect voltage, frequency, harmonic content, or power factor in the Cooperative's or other consumers' services, the Cooperative may require disconnection of the qualifying facility from the Cooperative's electrical system until the condition has been corrected.
- J. The Cooperative may require such liability insurance coverage by the qualifying facility owner or operator as the Cooperative determines in its sole judgment to be appropriate in the circumstances, and the owner or operator shall provide such proof of insurance coverage as may be required by the Cooperative. Review or testing of the qualifying facility by the Cooperative does not constitute any assumption of liability by the Cooperative for the safe, reliable and lawful operation of the qualifying facility.
- K. If the owner or operator fails to comply with the above rules and regulations or if the qualifying facility at any time constitutes a safety hazard or hazard to the reliability of the Cooperative's electric system or any system with which it is connected or is in violation of any code, regulation or law, the Cooperative may at any time require termination of parallel operation and the owner or operator shall be liable for any loss, damage or injury resulting from such failure, hazard or violation.
- L. Connections between a qualifying facility and the electric system of the Cooperative shall only be made pursuant to a written contract between the Cooperative and the owner or operator of such qualifying facility which shall be in accordance with applicable laws as well as the applicable rules, regulations, policies and rate schedules of the Cooperative.

AID TO CONSTRUCTION UTILITY AGREEMENT

WHEREAS, Paulding Putnam Electric Cooperative, Inc., hereinafter referred to as "Power Company" is in the business of selling and providing electric power to its customers; and

WHEREAS, the Power Company desires to financially assist commercial enterprises within its service area with start up minimum costs of constructing electric service facilities for three phase predictable electric needs where said costs exceed \$5,000.00 as an incentive to use Power Company's three phase electric service; until said policy is revised or terminated and does not jeopardize Power Company's stability; and

WHEREAS, _____ (full legal name of consumer) of (mailing address of consumer), hereinafter referred to as "Consumer" has made application for an Aid To Construction Grant from Power Company; and

WHEREAS Power Company has approved said application for the Consumer's new project, that will need and use Power Company's electric service or is a qualified cogeneration facility, known and referred to as _____ (Location) at _____(address)

NOW, THEREFORE, in consideration of the mutual promises set forth herein, it is mutually agreed by and between Power Company and Consumer as follows:

1. Consumer shall submit to Power Company, a copy of all approved plans and specifications in connection with the project referred to above.
2. Consumer shall submit to Power Company, a copy of any and all Governmental Certificate(s) and, or, permit(s) required as a condition precedent to the construction of said project.
3. Consumer shall pay to Power Company a deposit equal to 25% of its minimum Construction costs pursuant to Power Company's existing policy plus one month's estimated electric service usage billing,
4. After paragraphs 1, 2, and 3 are complied with, Power Company shall provide 400 feet of three phase primary facilities to Consumer at no charge; and Power Company shall loan to Consumer an amount not to exceed 75% of Consumer's minimum startup Construction costs for said three phase primary facilities.
5. Consumer agrees to repay said loan in equal monthly payments for consecutive months, beginning with the first day of the first month subsequent to the cooperative completing construction of the facilities to serve the Consumer, whether or not the Consumer has begun to take electric service from the Power Company. The consumer agrees to allow the monthly installment charge to be incorporated into its monthly electric billing and for electric service to be terminated should the consumer fail to pay for any portion of the electric billing including the installment loan.

6. Power Company shall charge an interest rate equal to the cooperatives annual cost of Long-Term Debt plus .05% or 5%, whichever is higher on said Aid To Construction Loan during said five year period so long as Consumer remains a full time customer of Power Company; and pays its electric service usage billings to Power Company in a timely fashion. The CEO/General Manager may alter the terms of this agreement if conditions warrant for the purpose of economic development within the service territory of the cooperative.
7. In the event Consumer defaults on its obligations and promises to purchase electric power and, or its monthly installment payments on its Aid To Construction Loan, all amounts outstanding, plus interest shall become due and payable and all electric service shall be discontinued.
8. In the event Consumer elects to terminate its utility customer relationship with Power Company, before said Aid To Construction Grant has been paid in full a TERMINATION CHARGE, equal to the unpaid balance of said loan plus interest, compounded annually plus 10% of the outstanding loan balance, shall be paid to Power Company. In addition, Consumer shall give Power Company a written notice of its intention to terminate this Agreement.
9. Consumer agrees to pay all of Power Company's reasonable attorney fees and expenses it incurs in the enforcement of this Agreement.
10. This Agreement shall be construed and enforced pursuant to the laws of the state of Ohio.
11. This Agreement shall not be assigned, sold, or transferred by Consumer without first obtaining the prior written consent of Power Company, which consent shall not be unreasonably withheld.
12. The undersigned representative(s) of Consumer hereby certifies that (he)(she)(they) is/are authorized by a duly passed and recorded Corporate Resolution providing for the execution of this Agreement on behalf of Consumer by its undersigned representative(s).

13. The total Aid to Construction is \$_____ and the loan interest rate is _____%. The Power Company agrees to loan the Consumer the total amount of \$_____ to be repaid to the Power Company in equal monthly installments of \$_____ for the said _____ month period. A twenty-five percent (25%) deposit equal to \$_____ shall be due upon signing of this agreement.

Dated this _____ day of _____ 20__ at _____

Paulding Putnam Electric Cooperative, Inc.

by _____
Power Company

by _____
Consumer

by _____
Consumer

TARIFFS, FEES & CHARGES

The current tariffs, fees, and charges approved by the Paulding Putnam Electric Cooperative Board of Trustees are listed below. If you have any questions regarding the Terms of Service or these charges, please call 419-399-5015 or (800) 686-2357 and one of our Member Service Representatives will gladly assist you.

<u>FEE DESCRIPTION</u>	<u>\$ Amount</u>
NSF Check Charge	\$30.00
Delinquent Letter Fee	\$10.00
RECONNECT FEE - Business Hours	\$75.00
Trip Charge	
AFTER HOURS (note 2)	\$350.00
Load Limiter Installation Fee	\$75.00
Trip Charge	\$75.00
Late Payment Penalty Charge	2% of total bill (\$5 min)
Application/Process Fee	\$10.00
Meter Testing (note 3)	\$75.00
New Service Pole Set	\$150.00 minimum
Pole Relocation Fee	\$150.00 minimum
Seasonal Reconnect Fee (note 4)	\$75.00 Prior to Reconnect
Minimum Deposit	\$100.00
Minimum/Maximum Residential Deposit	\$100.00 - \$400
Combining two meters into One service upgrades	\$350.00 minimum
Connecting outdoor light disconnected w/in 12 mos.	\$75 minimum
Installation of outdoor light on existing pole	\$175 minimum
Installation of outdoor light and pole	\$400 minimum
Removed within last 12 months	
Minimum Charge for Subdivision Lots	\$250.00

Note 1: All Charges are subject to change pending Board Approval at Paulding-Putnam Electric Cooperative, Inc., Board of Trustees, discretion.

Note 2: After Hours includes any additional time up to and including any time past 1:00 PM EST. The after hours reconnection fee is at the discretion of the staff of Paulding-Putnam Electric Cooperative, Inc. and dependent upon the availability of Line Crews in the area.

Note 3: To apply if member requests meter test within 3 years of a previous test of the meter.

Note 4: Additional charges may apply as outlined within the rate schedule applicable to the service.