



**TARIFF AND BUSINESS RULES
FOR ELECTRIC SERVICE**

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

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

Table of Contents

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 2 of 88

TABLE OF CONTENTS

100	DEFINITIONS	6
200	DESCRIPTION OF THE COOPERATIVE'S SERVICE AREA	9
200.1	COUNTIES SERVED	9
200.2	FRANCHISE CITIES SERVED	9
300	GENERAL SERVICE RULES AND REGULATIONS	10
300.1	GENERAL	10
300.2	AVAILABILITY OF TARIFF	10
300.3	ALTERNATE LANGUAGE REQUIREMENTS	10
300.4	MEMBER ACCESS TO COOPERATIVE RECORDS.....	10
300.4.1	SUBPOENA RESPONSE SERVICES	10
300.4.2	EASEMENT RELEASE APPLICATION	10
300.5	WAIVERS	11
300.6	NON-DISCRIMINATION	11
300.7	CREDIT WORTHINESS AND SECURITY DEPOSITS	11
300.7.1	CREDIT REQUIREMENTS FOR RESIDENTIAL APPLICANTS	11
300.7.2	CREDIT REQUIREMENTS FOR NON-RESIDENTIAL APPLICANTS.....	11
300.7.3	DEPOSITS AND GUARANTEE AGREEMENTS.....	12
300.7.3.1	NEW APPLICANT	12
300.7.3.2	EXISTING MEMBER.....	12
300.7.3.3	ADDITIONAL DEPOSIT	13
300.7.3.4	DEPOSIT WAIVER DUE TO FAMILY VIOLENCE	13
300.7.3.5	REFUSAL OF SERVICE	13
300.7.4	GUARANTEES OF RESIDENTIAL MEMBER ACCOUNTS.....	13
300.7.5	AMOUNT OF DEPOSIT	14
300.7.6	INTEREST ON DEPOSITS	14
300.7.7	RECORDS OF DEPOSITS	14
300.7.8	REFUNDING DEPOSITS AND VOIDING LETTERS OF GUARANTEE	15
300.7.9	RE-ESTABLISHMENT OF CREDIT	15
300.8	ESTABLISHING MEMBERSHIP	15
300.8.1	ESTABLISHING MEMBERSHIP AND MEMBERSHIP FEE.....	15
300.8.2	ESTABLISHMENT FEE	16
300.9	SERVICE.....	16
300.9.1	CONDITIONS OF SERVICE	16
300.9.2	TIMING OF SERVICE	17
300.9.3	SAME DAY SERVICE FEE	17
300.9.4	SERVICE TO RENTAL LOCATION	17
300.9.5	REFUSAL OF SERVICE	17
300.9.6	CONTINUITY OF SERVICE.....	18
300.9.7	DISCONTINUATION OF SERVICE	18
300.9.7.1	VOLUNTARY MEMBER DISCONNECTION	18
300.9.7.2	COOPERATIVE DISCONNECTION	18
300.9.7.2.1	DISCONNECTION WITH NOTICE	18
300.9.7.2.2	DISCONNECTION WITHOUT PRIOR NOTICE.....	19
300.9.7.2.3	DISCONNECTION PROHIBITED.....	19
300.9.7.2.4	DISCONNECTION DUE TO COOPERATIVE ABANDONMENT	19
300.9.7.2.5	DISCONNECTION OF PAYMENT ASSISTANCE MEMBERS	19
300.9.7.2.6	DISCONNECTION DURING EXTREME WEATHER.....	20
300.9.7.2.7	DISCONNECTION DURING WEEKEND OR HOLIDAY	20

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

Table of Contents

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 3 of 88

300.9.7.2.8	DISCONNECTION NOTICES.....	20
300.9.8	SWITCHOVER AND DISCONNECT FEES	20
300.9.9	RECONNECTION FEE	21
300.9.10	MEDICAL NECESSITY PROGRAM	21
300.9.11	CRITICAL LOAD PROGRAM.....	22
300.9.12	RECORD OF INTERRUPTION.....	22
300.10	EMERGENCY OPERATIONS PLAN	22
300.11	BILLING AND PAYMENT.....	22
300.11.1	BILLING RECORDS RETENTION.....	22
300.11.2	PAYMENT	22
300.11.3	PAYMENT PLANS	23
300.11.3.1	PRE-PAID PAYMENT PLAN	23
300.11.3.2	INSTALLMENT PLAN	25
300.11.3.3	FIXED PAYMENT PLAN.....	25
300.11.3.4	AVERAGE PAYMENT PLAN	26
300.11.3.5	CREDIT CARD PAYMENT PLAN.....	26
300.11.3.6	BANK DRAFT PAYMENT PLAN.....	26
300.11.4	LATE PAYMENT PROCESSING FEES	26
300.11.5	LOAN LATE FEES	26
300.11.6	RETURNED CHECK / DENIED BANK DRAFT / DENIED CREDIT CARD.....	27
300.11.7	PAYMENT DEADLINE EXTENSION	27
300.11.8	PAYMENT DEADLINE EXTENSION FOR ELDERLY RESIDENTIAL MEMBERS.....	27
300.11.9	COLLECTION FEE	27
300.11.10	TRANSFERS OF DELINQUENT BALANCES	27
300.12	STANDARD VOLTAGE DESIGNATIONS	27
300.13	MEASUREMENT AND METERING OF SERVICE.....	28
300.13.1	METERING REQUIREMENTS	28
300.13.2	METER RECORDS.....	29
300.13.3	METER READINGS	29
300.13.4	METER TESTING	29
300.13.5	ADJUSTMENTS DUE TO METER ERRORS	29
300.13.6	ADVANCE METERING OPT OUT PROGRAM	30
300.13.6.1	METER EXCHANGE FEE	30
300.13.6.1.1	AUTOMATIC PAYMENTS.....	30
300.13.6.1.2	METER READINGS AND METER READING FEE.....	30
300.13.7	METER TAMPERING; THEFT OF ELECTRIC SERVICE.....	30
300.13.8	METER TEST FEE.....	31
300.14	DISPUTE RESOLUTION	31
300.14.1	BILLING DISCREPANCIES OR ADJUSTMENTS	31
300.14.1.1	UNDER-BILLING.....	31
300.14.1.2	OVER-BILLING	32
300.14.2	POWER FACTOR ADJUSTMENT	32
300.14.3	REFUNDS	32
300.14.4	MEMBER COMPLAINTS	32
400	LINE EXTENSION POLICY.....	33
400.1	OVERVIEW	33
400.2	RESIDENTIAL SERVICE	33
400.3	OTHER RESIDENTIAL SERVICE	34
400.4	NON-RESIDENTIAL SERVICE.....	34
400.5	OTHER NON-RESIDENTIAL SERVICE	35
400.6	RESIDENTIAL DEVELOPMENTS	36
400.7	NON-RESIDENTIAL DEVELOPMENTS.....	37

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

Table of Contents

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 4 of 88

400.8	UNDERGROUND SERVICE.....	38
400.9	ROUTING.....	39
400.10	AREA LIGHTING.....	39
400.11	NON-METERED NON-RESIDENTIAL SERVICE.....	39
400.12	NON-PERMANENT SERVICE.....	39
400.13	SERVICE UPGRADES TO EXISTING COOPERATIVE FACILITIES.....	40
400.14	SYSTEM IMPACT FEE.....	40
400.15	AFTER-HOURS SERVICE.....	40
400.16	NO REFUND OF CONTRIBUTION IN AID OF CONSTRUCTION.....	40
400.17	DE-ENERGIZATION AND LINE CLEARANCES.....	40
400.18	OWNERSHIP OF COOPERATIVE FACILITIES.....	40
400.19	REMOVAL AND/OR RELOCATION OF COOPERATIVE FACILITIES.....	40
500	RATES.....	42
500.1	MEMBER CHARGES, CREDITS AND ADJUSTMENTS.....	42
500.1.1	SERVICE AVAILABILITY CHARGE.....	42
500.1.2	DELIVERY CHARGE.....	42
500.1.3	CAPACITY DEMAND CHARGE.....	42
500.1.4	BASE POWER CHARGE.....	42
500.1.4.1	FLAT BASE POWER CHARGE.....	43
500.1.4.2	TIME-OF-USE BASE POWER CHARGE.....	43
500.1.5	POWER COST ADJUSTMENT.....	45
500.1.6	TRANSMISSION COST OF SERVICE (TCOS) CHARGE.....	45
500.1.7	COOPERATIVE SOLAR TRANSMISSION COST ADJUSTMENT.....	45
500.1.8	RENEWABLE ENERGY RIDER CHARGE.....	45
500.1.9	NET ENERGY CREDIT.....	46
500.1.10	WHOLESALE ENERGY CREDIT.....	46
500.1.11	FRANCHISE FEE.....	46
500.1.12	REVENUE ADJUSTMENT FACTOR (RAF).....	46
500.1.13	SALES TAX.....	47
500.1.14	POWER OF CHANGE.....	47
500.1.15	CAPITAL CREDITS.....	47
500.2	RATE SCHEDULES.....	48
500.2.1	RESIDENTIAL, FARM AND RANCH SERVICE.....	48
500.2.1.1	RESIDENTIAL SERVICE – CONVENTIONAL.....	48
500.2.1.2	RESIDENTIAL SERVICE – EBILLING.....	48
500.2.1.3	RESIDENTIAL SERVICE – EDRAFT.....	48
500.2.1.4	RESIDENTIAL SERVICE – ESAVER.....	49
500.2.1.5	WATER WELL SERVICE.....	49
500.2.2	NON-RESIDENTIAL SERVICE.....	50
500.2.2.1	SMALL POWER SERVICE.....	50
500.2.2.2	LARGE POWER SERVICE, PRIMARY AND SECONDARY LEVEL.....	50
500.2.2.3	INDUSTRIAL POWER SERVICE.....	51
500.2.2.4	POWER PLANT START SERVICE.....	52
500.2.2.5	TRANSMISSION LEVEL SERVICE.....	52
500.2.2.6	ELECTRIC VEHICLE PUBLIC CHARGE STATION RATE.....	53
500.3	RATE PROGRAMS.....	53
500.3.1	INTERCONNECT NET METERING RATE.....	53
500.3.2	INTERCONNECT WHOLESALE ENERGY RATE.....	54
500.3.3	COOPERATIVE OWNED AREA LIGHTING RATE.....	54
500.3.4	COOPERATIVE SOLAR RATE.....	56
500.3.5	FACILITIES RENTAL RIDER.....	58
500.3.6	COLLEGE DISCOUNT.....	58

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

Table of Contents

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 5 of 88

500.3.7	MILITARY BASE DISCOUNT	58
500.3.8	ECONOMIC DEVELOPMENT DISCOUNT	58
500.4	FEE SCHEDULE	60
600	INTERCONNECTION POLICY	61
600.1	GENERAL	61
600.2	PARTIES TO THE INTERCONNECTION AGREEMENTS	61
600.3	LOCATION LIMITATIONS WITH REGARD TO METERS AND FACILITIES	61
600.4	COST-BENEFIT AND TAX RESPONSIBILITY	61
600.5	COMPLIANCE WITH ALL LAWS, REGULATIONS AND STANDARDS	61
600.6	MEMBER INITIAL REQUIREMENTS	62
600.7	COOPERATIVE REVIEW OF PROPOSED DG FACILITY	62
600.8	SALES TO AND PURCHASE FROM A DG FACILITY	63
600.9	ADDITIONAL REQUIREMENTS	63
600.10	OPERATION OF PARALLEL FACILITY	63
700	APPENDICES	65
700.1	MEMBERSHIP APPLICATION AND CERTIFICATE	65
700.2	RESIDENTIAL LETTER OF GUARANTY	66
700.3	PREPAID PAYMENT OPTION MEMBER AGREEMENT	68
700.4	MEDICAL NECESSITY PROGRAM APPLICATION	69
700.5	CRITICAL LOAD PROGRAM APPLICATION	72
700.6	FACILITIES RENTAL SERVICE AGREEMENT	77
700.7	INTERCONNECT AGREEMENT 50 KW OR LESS	79
700.8	INTERCONNECT AGREEMENT 50 KW TO 400 KW	84

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

Section 100: Definitions

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 6 of 88

100 DEFINITIONS

The following definitions apply to the Tariff and Business Rules for Electric Service, ("Tariff") of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative"), including the service rules and regulations, policies, rate schedules and riders, and any service agreements made pursuant to this Tariff, unless specifically defined otherwise therein.

Applicant – A Person applying for membership into the Cooperative or a Member, property owner, developer, or home builder applying for a line extension, upgrade, or removal and/or relocation or modification of electric service facilities.

Billing Determinant – Measured, calculated, or specified values used to determine the Cooperative's Rates, charges, credits, and adjustments. These values may include, but are not limited to, measurements of kilowatt-hours (kWh), actual monthly Non-Coincident Peak (NCP) Demand in kilowatts (kW), annual NCP Demand in kilowatts (kW), annual 4CP Demand in kilowatts (kW), Billing Demand in kilowatts (kW), Power Factor, Cooperative Solar Energy Units, Unit Energy Allocation, Solar Energy, Net Energy, and number of lamps.

Business Day – All days the Cooperative business offices are open, which includes all weekdays not including Cooperative Holidays.

Commission – The Public Utility Commission of Texas.

Contribution in Aid of Construction (CIAC) – Payment by Applicant to the Cooperative for line extensions, upgrades, or expansions in excess of allowable investments by the Cooperative, or for nonstandard service facilities, removals, or relocations.

Cooperative – Pedernales Electric Cooperative, Inc., a Texas electric cooperative corporation organized and operating under the Electric Cooperative Corporation Act, Texas Utilities Code Annotated, Chapter 161, or a predecessor statute to Chapter 161, and operating under that chapter.

Cooperative Facilities – All the plant and equipment of the Cooperative, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in connection with the business of the Cooperative, including any construction work in progress.

Cost Calculation – A calculation of the cost to extend electric service for Residential Service or Non-Residential Service. The Cost Calculation will include labor and materials used in constructing the line extension, as well as engineering, right-of-way acquisition and clearing to the extent undertaken by the Cooperative or its agents, and all other costs directly attributable to the extension.

Delivered Energy – The total energy (kWh) delivered to a Member during a billing cycle through the Cooperative's Delivery System.

Delivery System – The electric lines and other equipment, including transformers, owned by Cooperative, and the meters, including non-Cooperative owned meters, used in the delivery of electric power and energy.

Development Cost Calculation – A calculation of the cost to extend electric service to a residential subdivision or development, or non-residential development. The Development Cost Calculation will include labor and materials used in constructing the line extension, as well as engineering, right-of-way acquisition and clearing to the extent undertaken by the Cooperative or its agents, and all other costs directly attributable to the extension.

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

Section 100: Definitions

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 7 of 88

Distributed Generation (DG) – An electrical generating facility located at a Member's service location, which may be connected in parallel to the Delivery System.

Good Utility Practice – The meaning as assigned to this term in the Commission's Substantive Rule 25.5, Definitions.

Guarantor – A Member of the Cooperative who takes on a financial responsibility for an Applicant applying for service.

Holiday – Days the Cooperative does not consider a Business Day or days the Cooperative observes as holidays by not having hours of operation.

Individual Private Dwelling – A fixed, permanent residential structure. This term includes a mobile home that has been affixed in its permanent location. This term does not include self-propelled and non-self-propelled recreational vehicles that have no foundation other than wheels, jacks, or skirting.

Interconnection – The physical connection of a DG facility to the utility system in accordance with the requirements of the Interconnection Policy of the Cooperative.

Interconnection Agreement – The agreement which sets forth the contractual conditions under which the Cooperative and a Member agree that one or more facilities will interconnect with the Delivery System.

Installment Plan – An agreement between the Cooperative and a Residential Service Member that allows the Member to pay an outstanding bill on installments extending beyond the bill's due date.

Landlord Provision – An owner or property manager acting as a landlord may apply for service and pay all applicable fees one time. Upon a tenants' disconnection, the landlord is automatically reconnected without being held liable for a tenant's bill nor charged additional establishment or interruption of service fees.

Member – Any Person, firm, corporation or body politic that has applied for electric service and has paid the Cooperative's membership fee.

Member Class – A group of Members with similar electric usage and service characteristics (i.e. residential, small power, large power) taking service under one or more rate schedules.

Multi-Family Dwelling – Building(s) containing two or more dwelling units, rented primarily for non-transient use, and with rent paid at intervals of one week or longer. Multi-Family Dwelling includes residential condominiums, whether rented or owner occupied.

Municipality – A city, incorporated village, or town, existing, created, or organized under the general, home rule, or special laws of the State of Texas.

Net Operating Margins – The excess revenue remaining after all operating expenses, including but not limited to, cost of power, depreciation, interest, and taxes have been deducted from the Cooperative's total operating revenue.

Non-Residential Service – Service provided to Members who meet the qualifications for service in Section 500.2.2, Non-Residential Service.

Parallel Operation – The operation of on-site DG while the customer connects to the Cooperative's Delivery System.

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

Section 100: Definitions

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 8 of 88

Payment Plan – Any agreement between the Cooperative and a Member that allows a Member to pay the outstanding bill after its due date.

Person – Any natural person or business entity or trust.

Point of Delivery – The point, as determined by the Cooperative, at which electric power and energy leaves the Delivery System. For residential installations, the Applicant will install and be solely responsible for the wiring of the installation and all service entrance wiring through the weather head and the meter base to the Applicant's main disconnect switch or service center. For non-residential installations, the Applicant will install and be solely responsible for the wiring of the installation on Applicant's side of the Point of Delivery regardless of the metering location provided that the voltage service level at the metering location is the same as that of the delivery point.

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

Primary Account – For a Member that has multiple accounts, the account to which the membership fee is assigned and determines the Members' voting district.

Qualifying Cogenerator – The meaning as assigned to this term by 16 U.S.C. §796 (18) (C).

Qualifying Cogeneration Facility – The meaning as assigned to this term by 16 U.S.C. §796 (18) (B).

Qualifying Facility – Either a Qualifying Small Power Producer or Qualifying Cogeneration Facility.

Qualifying Small Power Producer – The meaning as assigned to this term by 16 U.S.C. §796 (17) (D).

Rate – Includes:

1. Any compensation, tariff, charge, adjustment, credit, rider, fare, toll, rental, or classification that is directly or indirectly demanded, observed, charged, or collected by the Cooperative for a service, product, or commodity; and
2. A rule, practice, or contract affecting the compensation, tariff, charge, fare, toll, rental, or classification.

Received Energy – The surplus energy generated by a DG system with an Interconnection Agreement received by the Cooperative's Delivery System during a billing cycle.

Residential Service – Service provided to Members who meet the qualifications for service in Section 500.2.1, Residential, Farm and Ranch Service.

Service – The term includes any act performed, anything supplied, and any Cooperative Facilities used or supplied by the Cooperative in the performance of its duties.

Tenant – A Person who is entitled to occupy a dwelling unit to the exclusion of others and who is obligated to pay for the occupancy under a written or oral rental agreement.

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

Section 200: Description of the Cooperative Service Area

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 9 of 88

200 DESCRIPTION OF THE COOPERATIVE'S SERVICE AREA

PEC may serve all or a portion of the counties and cities listed below.

200.1 COUNTIES SERVED

Bell County	Guadalupe County	Mason County
Bexar County	Hays County	Menard County
Blanco County	Kendall County	Real County
Burnet County	Kerr County	San Saba County
Caldwell County	Kimble County	Schleicher County
Comal County	Kinney County	Sutton County
Edwards County	Lampasas County	Travis County
Gillespie County	Llano County	Williamson County

200.2 FRANCHISE CITIES SERVED

Austin	Highland Haven	Niederwald
Bertram	Horseshoe Bay	Point Venture
Blanco	Johnson City	Round Mountain
Boerne	Jonestown	Round Rock
Buda	Junction	San Leanna
Bulverde	Kempner	San Marcos
Cedar Park	Kyle	Spring Branch
Cottonwood Shores	Lago Vista	The Hills
Creedmoor	Lakeway	Umland
Dripping Springs	Leander	Bear Creek
Fair Oaks Ranch	Liberty Hill	Briarcliff
Florence	Marble Falls	Volente
Georgetown	Meadowlakes	Weir
Granite Shoals	Mountain City	Wimberley
Hays	Mustang Ridge	Woodcreek

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 10 of 88

300 GENERAL SERVICE RULES AND REGULATIONS

300.1 GENERAL

This Tariff contains all Rates stated separately by type of service and the rules and regulations of the Cooperative affecting Rates, terms and conditions of service. The Tariff is intended to provide uniformity in the delivery of power and energy services to all Members within the Cooperative's service area.

The Cooperative will construct, own, operate, and maintain its Delivery System in accordance with Cooperative standards and Good Utility Practice for the delivery of electric power and energy.

The Cooperative will provide all Members access to the Delivery System pursuant to this Tariff, which establishes the Rates, terms and conditions, and policies for such access.

The Cooperative Rates will provide access to the Delivery System on a nondiscriminatory basis to all Members.

300.2 AVAILABILITY OF TARIFF

The Tariff will be accessible on the Cooperative's website or as requested. The Cooperative will provide copies of this Tariff at each office where applications are received, at a Member's request.

300.3 ALTERNATE LANGUAGE REQUIREMENTS

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

300.4 MEMBER ACCESS TO COOPERATIVE RECORDS

A Member, upon written request, is entitled to examine and copy (at the Member's expense), at any reasonable time, the books and records of the Cooperative subject to the conditions of the Cooperative's Open Records Policy.

Requests for information are restricted to Members of the Cooperative. The Cooperative reserves the right to charge a fee to the Member, payable in advance, if fulfilling the request requires large amounts of employee time or other materials and services to fulfill the request. All fee amounts are per Section 500.4, Fee Schedule.

Please direct all Member requests for information to:

Open Records Request
Pedernales Electric Cooperative, Inc.
P.O. Box 1, Johnson City, TX 78636

- or -

openrecords@peci.com

300.4.1 SUBPOENA RESPONSE SERVICES

If records are requested by subpoena, the Cooperative may charge the requester an hourly fee to answer the request. All fee amounts are per Section 500.4, Fee Schedule.

300.4.2 EASEMENT RELEASE APPLICATION

The Cooperative will assess a fee for processing an Application for Easement Release. A Member may contact the Cooperative for an Application for Easement Release. All fee amounts are per Section 500.4, Fee Schedule.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 11 of 88

300.5 WAIVERS

The Cooperative's credit and deposit requirements are subject to change at any time by the Board of Directors. For good cause, including for natural disasters or other declared emergencies, the Chief Executive Officer may waive, suspend, or modify any credit or deposit requirement, the establishment fee, same day service fee, and reconnection fee for a limited duration to address the circumstances. The Chief Executive Officer must inform the Board of Directors at its next regular meeting of all actions taken.

300.6 NON-DISCRIMINATION

The Cooperative will not discriminate based on race, color, nationality, religion, sex, marital status, disability, income level, or source of income, and will not unreasonably discriminate based on geographic location.

300.7 CREDIT WORTHINESS AND SECURITY DEPOSITS

300.7.1 CREDIT REQUIREMENTS FOR RESIDENTIAL APPLICANTS

The Cooperative will require an Applicant for Residential Service or an existing residential Member to establish and maintain satisfactory credit as a condition of providing service.

Establishment of credit will not relieve any Member from complying with the Cooperative's requirements for prompt payment of bills.

The Cooperative will equally apply credit worthiness to both spouses for twelve (12) months immediately after a divorce.

An Applicant for Residential Service or an existing Residential Service Member can establish satisfactory credit by any of the following:

1. Clearing any unpaid or delinquent balances prior to re-establishing service with the Cooperative;
2. Meeting and adhering to the Cooperative's payment policies and/or Payment Plan such that:
 - a. During the most recent twelve (12) consecutive months of service the Member is not late in paying a bill more than once;
 - b. The Member does not have service disconnected for nonpayment; and
 - c. The Member does not have more than one returned check.
3. Having had a credit risk assessment conducted by the Cooperative or on its behalf and receiving a satisfactory credit risk assessment; or
4. Providing customer history from any electric service provider for the same kind of service within the last two (2) years; was not delinquent more than once in payment of any such electric service account in the most recent twelve (12) consecutive months of service, and provides a satisfactory letter of credit history from the Applicant's previous electric service provider.

300.7.2 CREDIT REQUIREMENTS FOR NON-RESIDENTIAL APPLICANTS

For Non-Residential service, if an Applicant's or existing Member's credit has not been demonstrated satisfactorily to the Cooperative, the Applicant may be required to pay a deposit in an amount not to exceed one-sixth (1/6th) of the annual estimated bill.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 12 of 88

An Applicant for Non-Residential Service or an existing non-residential Member can establish satisfactory credit by:

1. Clearing any unpaid or delinquent balances prior to re-establishing service with the Cooperative;
2. Meeting and adhering to the Cooperative's payment policies and/or Payment Plan such that:
 - a. During the most recent twenty-four (24) consecutive months of service the Member is not late in paying a bill more than once;
 - b. The Member does not have service disconnected for nonpayment; and
 - c. The Member does not have more than one returned check.
3. Providing customer history from any electric service provider for the same kind of service within the last two (2) years; was not delinquent more than once in payment of any such electric service account in the twenty-four (24) consecutive months of service, and provides a satisfactory letter of credit history from the Applicant's previous electric service provider; or
4. Having had a credit risk assessment conducted by the Cooperative or on its behalf and receiving a satisfactory credit risk assessment.

300.7.3 DEPOSITS AND GUARANTEE AGREEMENTS

300.7.3.1 NEW APPLICANT

Upon application, if an Applicant is not credit worthy per Sections 300.7.3.1, New Applicant or 300.7.3.2, Existing Member, they will be required to pay the following deposits, unless they qualify and choose the residential Pre-paid Payment Plan or Bank Draft Payment Plan option:

1. A fixed deposit in the amount of one-hundred-fifty dollars (\$150.00) for Residential Service or three-hundred dollars (\$300.00) for Non-Residential service in the event the Applicant fails to provide complete, accurate, and verifiable identification information when requested by the Cooperative when applying for electric service; or
2. A fixed deposit in the amount of either seventy-five dollars (\$75.00) or one-hundred-fifty dollars (\$150.00) for Residential Service or three-hundred dollars (\$300.00) for Non-Residential Service in the event the Applicant fails to either:
 - a. Provide a satisfactory letter of credit history from its previous electric service provider; or
 - b. Receive a satisfactory credit risk assessment conducted by the Cooperative or on its behalf. The amount of the deposit due will be based on a credit risk assessment.

300.7.3.2 EXISTING MEMBER

An existing Member applying for additional electric service is required to pay the following charges, unless they qualify and choose the residential Pre-paid Payment Plan or Bank Draft Payment Plan option:

1. A fixed deposit in the amount of one-hundred-fifty dollars (\$150.00) for Residential Service or three-hundred dollars (\$300.00) for Non-Residential Service in the event

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 13 of 88

the Member fails to provide complete, accurate and verifiable identification information when requested by the Cooperative when applying for additional electric service; or

2. A fixed deposit in the amount of either seventy-five dollars (\$75.00) or one-hundred-fifty dollars (\$150.00) for Residential Service or three-hundred dollars (\$300.00) for a Non-Residential Service in the event the Member failed to satisfactorily demonstrate to the Cooperative the Member's credit worthiness or otherwise demonstrated a previous history of neglect to fulfill membership obligations. Examples include, but not limited to, paying a bill late more than once during the most recent twelve (12) consecutive months of service for Residential or twenty-four (24) consecutive months for Non-Residential Service, disconnection for nonpayment, failure to meet obligations under an installment plan, return of a check for insufficient funds, theft of service, meter tampering, safety code violations or fraud. The Cooperative bases the amount of the deposit due on a credit risk assessment.

If the Member applying for additional electric service has less than twelve (12) consecutive months of service, the Member may provide a satisfactory letter of credit history from its previous electric service provider or have a credit risk assessment conducted by the Cooperative on its behalf and receive a satisfactory credit risk assessment.

300.7.3.3 ADDITIONAL DEPOSIT

If the Applicant or existing Member has already paid a fixed deposit, the Applicant may be required to pay an additional deposit up to a total deposit amount not to exceed one-sixth (1/6th) of the annual estimated bill.

300.7.3.4 DEPOSIT WAIVER DUE TO FAMILY VIOLENCE

If the Applicant or existing Member has been determined to be a victim of family violence as defined in the Texas Family Code §71.004, such Person will not be required to pay either an initial or additional deposit when establishing new service. This determination will be evidenced by submission to the Cooperative of a certification letter developed by the Texas Council on Family Violence within ten (10) Business Days of the application for service. This waiver will only be applied toward an initial or additional deposit for a single location for the Applicant or existing Member unless another certification letter is later provided. Any reconnections after nonpayment will be subject to payment of the past due balance, reconnection fee, deposits, and any other fees required. All fee amounts are per Section 500.4, Fee Schedule.

300.7.3.5 REFUSAL OF SERVICE

The Cooperative may refuse to provide service to an Applicant if the requested deposit is not paid at the initiation of service. The Cooperative may also refuse to reconnect service to an Applicant or existing Member if the requested deposit is not paid upon request.

300.7.4 GUARANTEES OF RESIDENTIAL MEMBER ACCOUNTS

The Cooperative will allow an Applicant that cannot meet the credit requirements as defined in Section 300.7, Credit Worthiness and Security Deposits, to have a Guarantor sign an agreement that fulfills the credit requirements on their behalf. A guarantee agreement between the Cooperative and a Guarantor with satisfactory credit must be in writing and will be for no more than the amount of the initial deposit the Cooperative would require on the Applicant's account pursuant to Section 300.7.3.1, New Applicant.

1. A Guarantor can establish satisfactory credit by meeting and adhering to the Cooperative's payment policies and/or Payment Plans such that:

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 14 of 88

- a. During the most recent twelve (12) consecutive months of service the Guarantor is not late in paying a bill more than once;
 - b. During the most recent twelve (12) consecutive months of service the Guarantor has not had service disconnected for nonpayment; and
 - c. During the most recent twelve (12) consecutive months of service the Guarantor has not had more than one returned check.
2. The Cooperative will void and return the guarantee to the Guarantor according to the provisions of Section 300.7.8, Refunding Deposits and Voiding Letters of Guarantee.
3. Upon default by a residential Member, the Guarantor of that Member's account will be responsible for the unpaid balance of the account only up to the amount agreed to in the written agreement.
4. The Cooperative will provide written notification to the Guarantor of the Member's default, the amount owed by the Guarantor, and the due date for the amount owed.
5. The Cooperative will provide the Guarantor a bill which will include the payment due date which will not be less than sixteen (16) calendar days after issuance.
6. The Cooperative may transfer the amount owed on the defaulted account to the Guarantor's own service bill, provided it separately identifies the guaranteed amount owed on the Guarantor's bill.
7. The Cooperative may disconnect service to the Guarantor for nonpayment of the guaranteed amount.

300.7.5 AMOUNT OF DEPOSIT

The total deposit(s) from an Applicant or Member will not exceed one-sixth (1/6th) of the estimated annual billing for the account unless the Member or Applicant is subject to the fixed deposit amount described in Section 300.7.3, Deposits and Guarantee Agreements, in which case the amount of the deposit will not be less than the amount of those fixed deposit(s).

300.7.6 INTEREST ON DEPOSITS

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

Payment of the interest will be made to the Member annually or at the time the deposit is returned or credited to the Member's account.

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

300.7.7 RECORDS OF DEPOSITS

The Cooperative will keep the following records:

1. The name and address of each depositor;
2. The amount and date of the deposit; and

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 15 of 88

3. Each transaction concerning the deposit.

The Cooperative will issue a receipt of deposit to each Applicant paying a deposit and will provide means for a depositor to establish a claim if the receipt is lost.

The Cooperative will maintain a record of each unclaimed deposit for at least four (4) years.

The Cooperative will make a reasonable effort to return unclaimed deposits.

300.7.8 REFUNDING DEPOSITS AND VOIDING LETTERS OF GUARANTEE

If service is not connected or is disconnected, the Cooperative will promptly refund the Applicant's deposit, plus accrued interest on the balance, if any, in excess of the unpaid bills for service furnished and void and return to the guarantor all letters of guarantee on the account or provide written documentation that the contract has been voided.

The Cooperative will promptly refund the deposit plus accrued interest to the Member or credit the amount of the deposit and accrued interest to the Member's account or void and return the guarantee or provide written documentation that the contract has been voided when the following conditions are all met.

1. Member has paid bills for Residential Service for twelve (12) consecutive billing months or when the Member has paid bills for Non-Residential Service for twenty-four (24) consecutive billing months;
2. During that time service was not disconnected for nonpayment of a bill; and
3. During that time Member was not delinquent in the payment of bills more than once.

The deposit may be retained if the Member:

1. Does not meet the foregoing refund criteria; or
2. Failed to provide complete, accurate, and verifiable identification information when requested by the Cooperative.

The letter of guarantee may be retained if the Member does not meet the foregoing refund criteria.

300.7.9 RE-ESTABLISHMENT OF CREDIT

A Member whose service has been disconnected for nonpayment of bills or theft of service (meter tampering or bypassing of meter) will be required, before service is reconnected, to pay all amounts due to the Cooperative, including reconnection and other applicable fees, and reestablish credit. All fee amounts are per Section 500.4, Fee Schedule.

300.8 ESTABLISHING MEMBERSHIP

300.8.1 ESTABLISHING MEMBERSHIP AND MEMBERSHIP FEE

Membership in the Cooperative is required for service. A Person that is a Member of the Cooperative will be entitled to a single or joint membership, no matter how many meters or accounts the Member has. A fee will be required with the initial application for service and establishes the Primary Account. At that time, the fee will be applied to the Member's open account or applied to the outstanding account balance of the last open account. Termination of membership does not release a Member or Member's estate from debts owed to the Cooperative. Additional fees may be required for each additional service connection requested by the Member, but the Cooperative

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 16 of 88

will not charge an additional membership fee due to the creation of additional service connections by the Member. The Cooperative will retain the membership fee until the membership terminates or the property sells. All fee amounts are per Section 500.4, Fee Schedule.

300.8.2 ESTABLISHMENT FEE

There will be a fee collected for connecting service and/or transferring account information per service location. All fee amounts are per Section 500.4, Fee Schedule.

300.9 SERVICE

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

300.9.1 CONDITIONS OF SERVICE

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

1. The Applicant pays a membership fee and any other amounts required by the Cooperative's rules, including amounts required in Section 300.7, Credit Worthiness and Security Deposits;
2. The Applicant is not delinquent on a past or present account;
3. The Applicant accepts the terms for membership and rules for service, and provides the Cooperative with information reasonably required to verify the identity of the Applicant;
4. The Applicant provides a billing address or an email address for purposes of billing notification;
5. The Applicant grants the Cooperative easement rights and acquires all necessary easements from adjacent landowners on a form acceptable to the Cooperative for its facilities. All costs and expenses, if any, related to the acquisition of easements to serve the Applicant will be the responsibility of the Applicant, including the Cooperative's costs and expenses if the Cooperative participates in the acquisition of the easements through condemnation proceedings;
6. The Applicant provides a meter loop conforming to the Cooperative's standards and the National Electrical Code;
7. The Applicant's installation and equipment must not be hazardous or of such type that satisfactory service cannot be given;
8. The Applicant will grant access to the Cooperative's authorized representative at all reasonable hours, or at any hour if for the sole purpose of restoring power, maintaining, upgrading, construction, or repairs of Cooperative Facilities, and perform other activities necessary to provide electrical service, including collection activity and vegetation management that in the opinion of the Cooperative may constitute a hazard to Cooperative personnel or facilities, or to the provision of electrical service. Applicant may ask the representative to exhibit a photo identification badge to gain access. Failure to provide access may result in suspension of electrical service; and
9. The Cooperative can provide service from existing Cooperative lines or the Cooperative can build new power lines as detailed in Section 400, Line Extension Policy.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 17 of 88

300.9.2 TIMING OF SERVICE

Applications for new electric service not involving line extensions or construction of new facilities will be connected no later than three (3) Business Days after the Applicant has met the credit requirements in Section 300.7, Credit Worthiness and Security Deposits, and complied with all applicable state and municipal regulations.

300.9.3 SAME DAY SERVICE FEE

If an Applicant or a Member requests same day connection or reconnection due to nonpayment, any time outside of 8:00 am to 5:00 pm on Business Days, the Cooperative will collect a fee for providing service the same day. All fee amounts are per Section 500.4, Fee Schedule.

300.9.4 SERVICE TO RENTAL LOCATION

The Cooperative's preference is for Individual Private Dwellings or Multi-Family Dwellings to be separately metered, and will be subject to all related provisions and fees herein.

Owners, operators, proprietors, or lessors who provide leased or rented units and require continued service during periods of vacancies will be required to make application for electric service for each leased or rented unit and are encouraged to utilize the Landlord Provision. Owners, operators, proprietors, or lessors will be obligated to pay for such service, and are not required to pay an establishment fee each time a vacancy occurs.

Any tenant may request electric service disconnection for their account and the Cooperative will disconnect service as soon as reasonably possible. If an owner, operator, proprietor, or lessor, establishes an account as provided in this section, those people will be obligated to pay for service during any periods of vacancy.

Upon sale of property, the owners, operators, proprietors, or lessors are responsible for notifying the Cooperative to update the account status. The owners, operators, proprietors, or lessors are responsible for all bills at the locations until such time of notice.

300.9.5 REFUSAL OF SERVICE

The Cooperative may refuse to serve an Applicant for any of the following reasons:

1. The Applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given, or the Applicant's facilities do not comply with all applicable state and municipal regulations;
2. The Applicant fails to comply with the Cooperative's Tariff pertaining to operation of nonstandard equipment or unauthorized attachments, which interfere with the service of others. The Cooperative will provide the Applicant notice of such refusal and a reasonable amount of time to comply with the Cooperative's Tariff;
3. The Applicant applies for service at a location where another Member has received, or continues to receive, service and the bill is unpaid at that location, and the Cooperative can prove the change in identity is made in an attempt to help the other Member avoid or evade payment of the Cooperative's outstanding bill.
4. The Applicant owes a debt to the Cooperative for the same kind of service requested;
5. The Applicant refuses to pay a deposit that is required in Section 300.7.3, Deposits and Guarantee Agreements; or
6. The Applicant's guarantor on any account refuses to pay the amount agreed to under a guarantee agreement.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 18 of 88

If the Cooperative has refused to serve an Applicant, the Cooperative will inform the Applicant of the reason for its refusal and the Applicant may file a complaint as referenced in Section 300.14.4, Member Complaints.

300.9.6 CONTINUITY OF SERVICE

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

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

300.9.7 DISCONTINUATION OF SERVICE

300.9.7.1 VOLUNTARY MEMBER DISCONNECTION

A Member may request disconnection, and the Cooperative will disconnect the service on the date requested by a Member or no later than three (3) Business Days after such date.

300.9.7.2 COOPERATIVE DISCONNECTION

300.9.7.2.1 DISCONNECTION WITH NOTICE

The Cooperative may disconnect service after proper notice, as referenced in Section 300.11, Billing and Payment, for the following reasons:

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

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 19 of 88

300.9.7.2.2 DISCONNECTION WITHOUT PRIOR NOTICE

The Cooperative may disconnect service without prior notice for any of the following reasons:

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

300.9.7.2.3 DISCONNECTION PROHIBITED

The Cooperative may not disconnect service for any of the following reasons:

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

**300.9.7.2.4 DISCONNECTION DUE TO COOPERATIVE
ABANDONMENT**

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

**300.9.7.2.5 DISCONNECTION OF PAYMENT ASSISTANCE
MEMBERS**

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

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 20 of 88

300.9.7.2.6 DISCONNECTION DURING EXTREME WEATHER

The Cooperative will not disconnect a residential Member on a day when:

1. The previous day's highest temperature did not exceed thirty-two (32) degrees Fahrenheit, or the temperature is predicted to be at or below that level for the next twenty-four (24) hours, according to the local National Weather Service (NWS) reports for the Member's designated territory, eastern or western; or
2. The previous day's highest temperature exceeded one-hundred (100) degrees Fahrenheit, or the predicted temperature is to be at or above that level for the next twenty-four (24) hours, according to the local NWS reports for the Member's designated territory, eastern or western.

300.9.7.2.7 DISCONNECTION DURING WEEKEND OR HOLIDAY

The Cooperative will not disconnect a Member on a weekend day or Holiday.

300.9.7.2.8 DISCONNECTION NOTICES

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

1. Not be issued before the first calendar day after the bill is due, to enable the Cooperative to determine whether the payment was received by the due date;
2. Be a separate mailing, electronic notice, or hand-delivered notice with a stated date of disconnection with the words "disconnection notice" or similar language prominently displayed;
3. Have a disconnection date not less than seven (7) calendar days after the Cooperative issues notice;
4. Be written in English and Spanish; and
5. Include a statement notifying the Member that if they need assistance paying their bill by the due date, or are ill and unable to pay their bill, they may be able to make an alternate Payment Plan, establish an installment plan, or possibly secure payment assistance. The notice will also advise the Member to contact the Cooperative for more information.

300.9.8 SWITCHOVER AND DISCONNECT FEES

In cases where the Cooperative provides electric service to a Member and the Member requests disconnection to obtain electric service from another utility certified to that area, the following rules will apply.

1. The Member will request the Cooperative, in writing, to disconnect electric service from the desired location.
2. The Member will pay the following charges prior to disconnection:
 - a. All applicable fees and costs to cover labor and transportation costs involved in the disconnection;
 - b. A charge for distribution facilities rendered idle from the disconnection and not useable elsewhere on the system based on the original cost of such facilities less accumulated depreciation, salvage, and any previous CIAC;

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 21 of 88

- c. A charge for the labor and transportation costs involved in removing any idle facilities. This charge only applies if the disconnecting Member requests removal, if removal is required for safety reasons, or if the salvage value of the facilities does not exceed such removal costs; and
- d. All charges for electric service up to the date of disconnection.

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

The Cooperative will advise the Member that the connecting electric utility may not provide service to Member until such connecting utility has evidence that the Member has paid all charges provided for under this tariff.

All fee amounts are per Section 500.4, Fee Schedule.

300.9.9 RECONNECTION FEE

The Cooperative will assess a fee for reconnection after nonpayment. Service reconnections for nonpayment after business hours are at the Cooperative's discretion. In the event the Cooperative performs any service reconnections for nonpayment after business hours on Monday through Sunday, the Member must pay a non-refundable same day service fee prior to reconnection. This fee is in addition to the past due balance, reconnection fee, deposits and any other fees required. All fee amounts are per Section 500.4, Fee Schedule.

300.9.10 MEDICAL NECESSITY PROGRAM

The Cooperative will maintain a registry of Residential Service locations where people rely on life-sustaining electrical equipment. To be considered for this program a Member must complete, submit and have approved by the Cooperative a Medical Necessity Program Application, Appendix 700.4.

To qualify, the location must house someone diagnosed by a physician in one of the following categories:

1. **Chronic** – Having been diagnosed by a physician as requiring an electric-powered device to prevent the impairment of major life function. To maintain chronic designation, Members must reapply once a year;
2. **Chronic, lifelong** – Same as chronic, but does not require annual application;
3. **Critical care** – Having been diagnosed by a physician as requiring an electric-powered device to sustain life. To maintain critical care designation, Members must reapply once every two years; or
4. **Critical care, lifelong** – Same as critical care, but does not require biennial application.

When planned outages or service interruptions for nonpayment are scheduled, the Cooperative will attempt advance notice so preparations can be made. This Program does not guarantee priority electric service restoration, and locations registered in the program are not exempt from planned service interruptions, nor are registered Members exempt from their financial responsibilities or from the termination of service.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 22 of 88

300.9.11 CRITICAL LOAD PROGRAM

The Cooperative will maintain a registry of non-residential service locations that can be classified as public safety, industrial, or natural gas infrastructure. To be considered for this program a Member must complete, submit, and have approved by the Cooperative a Critical Load Program Application, Appendix 700.5.

To be considered, the location must fall into one of the following categories:

2. **Public Safety** – A Member for whom electric service is considered crucial for the protection or maintenance of public safety, including but not limited to hospitals, police stations, fire stations, and critical water and wastewater facilities.
3. **Industrial** – An industrial Member for whom an interruption or suspension of electric service will create a dangerous condition or significant disruption on the member's premises.
4. **Natural gas infrastructure** – A Member that supports natural gas-fired generation, including gas control center or gas compressor plant.

When planned outages or service interruptions for nonpayment are scheduled, the Cooperative will attempt to provide advance notice so preparations can be made. For unplanned outages, the Cooperative will prioritize Critical Load Program participants for restoration as much as practicable. This Program does not guarantee priority electric service restoration, and locations registered in the program are not exempt from planned service interruptions, nor are registered Members exempt from their financial responsibilities or from the termination of service.

300.9.12 RECORD OF INTERRUPTION

The Cooperative will keep records of sustained interruptions. Where practical, the Cooperative will keep a complete record of all momentary interruptions. These records will show the type of interruption, the cause for the interruption, the date and time of the interruption, the duration of the interruption, the number of Members interrupted, the substation identifier, and the transmission line or distribution feeder identifier. The Cooperative will retain records of interruptions for five (5) years.

300.10 EMERGENCY OPERATIONS PLAN

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

300.11 BILLING AND PAYMENT

Once service has been established, Members will begin to receive bills on a recurring monthly basis per the billing cycle selected. The billing date will be posted on the Member's bill and refers to the date the bill has been generated. Service dates are included and refer to the days of service within that billing period. The payment due date is provided on the billing statement accompanied with the total amount due. The payment due date will not be less than 16 calendar days after the bill has been generated. The word "estimated" will be shown prominently displayed on a bill, if necessary, to identify an estimated bill. The Cooperative may submit estimated bills for good cause provided an actual meter reading is unavailable. Payments will be considered delinquent if not paid by the due date as stated on the monthly bill provided.

300.11.1 BILLING RECORDS RETENTION

The Cooperative maintains monthly billing records for each account for at least three (3) years after the mailed bill date. The billing records will contain sufficient data to reconstruct a Member's billing for a given month. Members may request copies of their account's billing records.

300.11.2 PAYMENT

All bills for electric service are payable via any of the payment options offered by the Cooperative.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 23 of 88

The Cooperative may discontinue service to Members who fail to pay for service within seven (7) calendar days from the date of the delinquent notice.

Members may arrange a Payment Plan with the Cooperative to prevent disconnection for non-payment of a delinquent account.

300.11.3 PAYMENT PLANS

300.11.3.1 PRE-PAID PAYMENT PLAN

This plan allows Members to deduct the costs for electric service from a credit on the account placed in advance of usage. Members enrolled in this option agree to an automatic service disconnection when their account reaches a zero (0) debit balance or more.

APPLICABILITY

This plan is available to Members enrolled in a residential service rate with a remote connect/disconnect enabled meter. This payment option may not be combined with an Installment Plan or any other Payment Plan. Members enrolled in time-of-use, interconnect, or cooperative solar rate are ineligible for this payment option. Additionally, Members with three-phase service, participating in the advanced metering opt-out program, on the medical necessity program, or in the critical load program, are ineligible for enrollment.

Members with an outstanding account balance must bring their balance to zero (0) or agree to an arrangement for payment of the outstanding balance prior to enrollment. If the Member enters into an arrangement for payment, PEC will apply fifty percent (50%) of every payment to the outstanding balance and fifty percent (50%) to the pre-paid account balance until the Member pays the outstanding balance in full. Once enrolled, Members may not enter into a subsequent arrangement for payment of an outstanding account balance.

REQUIREMENTS

To qualify for this option, Members must:

1. Have a valid email account or phone number to receive notifications;
2. Consent to receive notifications regarding this payment option, including electronic mail or messages, phone messages or texts, at any electronic mail address or phone number provided to the Cooperative;
3. Agree to update contact information upon any changes to such information; and
4. Have a remote connect/disconnect enabled meters installed at the service location.

PLAN DETAILS

Member Agreement – Upon enrollment, Member agrees to all terms and conditions of this option.

Initial Balance – A minimum credit balance of twenty-five dollars (\$25.00) will be required upon enrollment in this option. Existing Members may apply deposit funds towards the minimum credit balance.

Deposits – Members enrolling in this option with credit worthiness are not required to post an account deposit. If an Applicant's or existing Member's credit has not been

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 24 of 88

demonstrated satisfactorily to the Cooperative, a fifty dollar (\$50.00) deposit will be required.

The Cooperative may apply any portion of a Member's existing deposit to pre-paid account balance.

Notices – The Cooperative provides Members with Member-controlled and system generated notices regarding their pre-paid account balance and electric service connection status. Members may elect to receive notices via phone call, email, or text message. The Cooperative provides a system-generated low balance notice when the account balance becomes less than ten dollars (\$10.00). Members are responsible for setting up their own Member-controlled notices via the Cooperative's online account management system.

Disconnections – Section 300.9.7, Discontinuation of Service, other than Section 300.9.7.2.7, Disconnection during Weekend or Holiday, will not apply to Members on this option. Disconnections take place when the Cooperative sends the depleted balance notice, which is the last notice provided.

Rates and Fees – Membership and establishment fees apply to Members enrolled in this option. Members on this option will not be subject to same day service fees, late, or reconnection fees. All fee amounts are per Section 500.4, Fee Schedule. Rates apply as per Section 500, Rates, with the exceptions listed below.

1. The service availability charge will be converted to a daily rate; and
2. Service availability charges will continue to accrue daily on connected meter, even if energy consumption does not occur.

Reconnection – Once the required payment posts to the account, reconnection takes place. The payment must cover:

1. All balances owed for services provided;
2. Amounts agreed upon in Payment Plan if applicable; and
3. The required minimum credit balance of twenty-five dollars (\$25.00). Pre-paid accounts may not enter into an outstanding balance Payment Plan to achieve reconnection. All acceptable forms of payment that cover the amounts listed above will result in reconnection.

If a Member terminates service or the account disconnects for nonpayment and remains disconnected for seven (7) Business Days, the Cooperative will settle and final bill the account.

Billing; Late Payment Processing Fees; Transfers of Delinquent Balances and Record Retention – Sections 300.9.12 through 300.11.1 do not apply to Members on this option except for Section 300.11.10, Transfers of Delinquent Balances.

Cancellation – A Member may choose to convert the account to another payment option at any time. The Member or the Cooperative may cancel enrollment on this option upon notification to the other party. Upon cancellation, the accumulated balance of the Member's account will become due and payable.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 25 of 88

300.11.3.2 INSTALLMENT PLAN

This plan is an agreement between the Cooperative and a residential Member that allows the Member to pay installments that extend beyond the due date of the next bill. The Cooperative may offer this plan to any residential Member who has expressed an inability to pay and meets the criteria specified in the Cooperative's Tariff and has not been delinquent more than once in the last twelve (12) months.

The Member will pay the current bill each month, plus the agreed upon portion of the amount deferred. Failure to fulfill the terms of the agreement will result in discontinuance of service and all amounts owed will become due immediately.

The Cooperative may decline to offer this plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant further extension of credit or if the Member has failed to provide complete, accurate, and verifiable identification information when requested by the Cooperative.

PLAN DETAILS

1. This plan may be established in person or by telephone;
2. This plan must be put in writing and provided to the Member;
3. This plan must allow for the delinquent amount be paid in negotiable installments;
4. This plan must state the length of time covered by the plan, the total amount to be paid, and the specific amount of each installment;
5. This plan must permit the Member or the Cooperative to initiate a renegotiation of the installment plan if the Member's circumstances change substantially during the time of the plan;
6. This plan must allow the Cooperative to disconnect service if the Member does not fulfill the terms of the installment plan, and will state the terms for disconnection;
7. This plan may not be offered more than once per year; and
8. This plan offered by the Cooperative will state in boldface type the following:

"If you are not satisfied with this agreement or if agreement was made by telephone, and you feel this document does not reflect your understanding of that agreement, contact the Cooperative immediately. If you do not contact the Cooperative, you may give up your right to dispute the amount due under the agreement except for the Cooperative's failure or refusal to comply with the terms of this agreement."

300.11.3.3 FIXED PAYMENT PLAN

This plan allows a Member to pay a fixed amount per month based on twelve (12) months total billings. A true up and recalculation will be required no more than every twelve (12) months. Upon such true up and recalculation, the Cooperative will either credit or debit from the account as applicable any overpayments or underpayments. The Cooperative will add the amount of any underpayment to the amounts due. The Cooperative will deduct the amount of any overpayment from any amounts owed.

This plan is applicable to the Residential Service rates only. Members may enroll anytime with participation beginning with the first bill rendered after enrollment. Either the Member

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 26 of 88

or the Cooperative may cancel the plan upon notification to the other party. Upon cancellation, any accumulated balance of the Member's account will become due and payable, or if a credit will be applied to the Member's account. The Cooperative may decline to offer this plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant payment plans or if the Member has failed to provide complete, accurate, and verifiable identification information when requested by the Cooperative.

300.11.3.4 AVERAGE PAYMENT PLAN

This plan allows a Member to pay a rolling twelve (12) month average. This plan is applicable to Residential Service rates only. Members may enroll in this plan anytime with participation beginning with the first bill rendered after enrollment. Either the Member or the Cooperative may cancel the plan upon notification to the other party. Upon cancellation, any accumulated balance of the Member's account will become due and payable, or if a credit will be applied to the Member's account. The Cooperative may decline to offer this plan if, in the Cooperative's judgment, the Member is lacking sufficient credit or satisfactory history to warrant payment plans or if the Member has failed to provide complete, accurate, and verifiable identification information when requested by the Cooperative.

300.11.3.5 CREDIT CARD PAYMENT PLAN

This plan allows Members to authorize the Cooperative to process a monthly payment through their payment card. The amount processed will be for the full balance due each month and will be processed automatically on the bill due date.

300.11.3.6 BANK DRAFT PAYMENT PLAN

This plan allows Members to authorize the Cooperative to process a monthly payment by drafting a checking account. The amount drafted will be for the full balance due each month and will be drafted automatically on the bill due date.

300.11.4 LATE PAYMENT PROCESSING FEES

Until the Cooperative receives the payment, bills are considered unpaid; a payment is delinquent if not received at the Cooperative by the due date shown on the bill.

Residential accounts not paid by the due date may be assessed a fee to cover the cost of processing late payments. All fee amounts are per Section 500.4, Fee Schedule.

All Non-Residential accounts, other than state agencies or other governmental entities that the Cooperative has approved as being subject to Texas Government Code Chapter 2251, not paid by the due date may be assessed a fee to cover the cost of processing late payments. All fee amounts are per Section 500.4, Fee Schedule.

Any governmental entity asserting eligibility to receive bills under Texas Government Code Chapter 2251 may file a written notice asserting their eligibility, and the Cooperative will determine whether the entity is subject to that statute. All bills rendered to state agencies or other governmental entities that the Cooperative approves subject to Texas Government Code Chapter 2251, will be in accordance with that statute.

300.11.5 LOAN LATE FEES

Payment for a consumer loan to a Member with the Cooperative not paid by the due date may be assessed a late payment fee after ten (10) calendar days of non-payment. All fee amounts are per Section 500.4, Fee Schedule.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 27 of 88

300.11.6 RETURNED CHECK / DENIED BANK DRAFT / DENIED CREDIT CARD

If a check for payment is returned, the Cooperative will debit a Member's account for the amount on each returned check, plus a returned check fee. If a payment is denied through an account setup for automatic payment bank draft, the Cooperative will debit the Member's account for the denied amount, plus a non-sufficient funds fee. If a payment is denied through an account setup for automatic credit card draft, the Cooperative will not post payment and an alternate form of payment must be arranged by the Member. If the Member pays a delinquent account balance and the check returns to the Cooperative for insufficient funds, the Cooperative will proceed to disconnect the Member's account. All fee amounts are per Section 500.4, Fee Schedule.

300.11.7 PAYMENT DEADLINE EXTENSION

Upon request of a Residential Member, and at the Cooperative's discretion, the Cooperative may extend without penalty the payment date until the twenty-fifth (25th) calendar day after the bill is issued.

300.11.8 PAYMENT DEADLINE EXTENSION FOR ELDERLY RESIDENTIAL MEMBERS

Upon request of a Residential Member sixty (60) years of age or older, the Cooperative will extend without penalty the payment date until the twenty-fifth (25th) calendar day after the date the bill is issued. The Cooperative may require the Member requesting the extension to present reasonable proof of age.

300.11.9 COLLECTION FEE

A fee will be charged if the Cooperative dispatches a service representative to collect a delinquent bill. This fee will be included in the collection amount. Failure to pay a service representative the full amount owed at the time may result in immediate disconnection of service.

If the Member's service is disconnected, a reconnection will not be made until the account is paid in full and a reconnection fee together with a deposit is paid and when applicable a same day service fee.

Under no circumstances will the Cooperative be liable for losses incurred resulting from the disconnection of service due to a Member's failure to pay for electrical service or any other reason for disconnection required by the Cooperative's policies.

All fee amounts are per Section 500.4, Fee Schedule.

300.11.10 TRANSFERS OF DELINQUENT BALANCES

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

300.12 STANDARD VOLTAGE DESIGNATIONS

The Cooperative will deliver electric power and energy at one of the Cooperative's standard voltages. Non-standard service may be available if requested but only if the Cooperative determines such service is feasible, and the Applicant agrees to pay any additional cost to the Cooperative for delivering such non-standard service.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 28 of 88

The Cooperative adopts the following standard voltages for electric service distribution:

Single Phase	Three Phase
120 / 240 V	120 / 208 V (wye)
7,200 V	120 / 240 V (delta)
*14,400 V	277 / 480 V (wye)
	480 V (delta)*
	1,328 / 2,300 V (wye)*
	2,300 / 4,160 V (wye)*
	7,200 / 12,470 V (Primary Metered)*
	14,400 / 24,900 V (Primary Metered)*

*These voltages are available at the Cooperative's discretion.

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

300.13 MEASUREMENT AND METERING OF SERVICE

300.13.1 METERING REQUIREMENTS

Use of meter – Except where otherwise provided by the applicable rate schedule or contract, the Cooperative charges all electricity consumed or demanded by the Member by meter measurements.

Installation – The Cooperative will provide, install, own, and maintain all meters necessary for the measurement of electric energy to its Members.

Standard type – All meters will meet industry standards. Special meters used for investigation or experimental purposes are not required to conform to these standards.

Location of meters – Meters and service switches in conjunction with the meter will be installed in accordance with the latest revision of American National Standards Institute ("ANSI"), Incorporated, Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing, and inspection, where such activities will cause minimum interference and inconvenience to the Member.

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

1. Sufficient and proper space for installation of meters and other apparatus of the Cooperative;
2. Meter socket;
3. Meter loop;
4. Safety service switches when required; and
5. An adequate anchor for service drops.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 29 of 88

Where the meter location on the Member's premises changes at the request of the Member or due to alterations on the Member's premises, the Member will provide and have installed at their expense, all wiring and equipment necessary for relocating the meter.

Accuracy requirements – The Cooperative will not place in service or leave in service any meter that violates the test calibration limits as set by ANSI. Whenever a meter violates limits on installation, periodic, or other tests, the Cooperative will adjust or exchange it.

The Cooperative adjusts meters, as closely as practicable, to the condition of the limits as set by ANSI.

300.13.2 METER RECORDS

The Cooperative will keep the following records:

Meter equipment record – The Cooperative will keep a record of all of its meters, showing the Member's address and date of the last test. For special meters used for investigation or experimental purposes, the record will state the purpose of the investigation or experiment.

Records of meter tests – The Cooperative will properly reference all meter tests completed on the meter record. The record of each test completed at the service location will show the identifying number, constants of the meter, standard meter, and measuring devices used. Additionally, records will provide the test date, type of test performed, name of technician, level of accuracy (or percent error) at each load tested, and sufficient data to permit the verification of test results.

300.13.3 METER READINGS

Meters are read by the Cooperative on regular monthly intervals.

300.13.4 METER TESTING

Meter tests prior to installation – The Cooperative will establish the accuracy of every meter prior to its permanent installation. Unless the Cooperative has already tested a meter within the last twelve (12) months, the Cooperative will test and adjust any meter removed and/or replaced from service.

Testing of meters in service - Meter test periods for all types of meters will conform to the latest edition of ANSI Standard C12 unless specified otherwise by the Cooperative. The Cooperative, upon the request of a Member, will test the accuracy of the Member's meter. If the Cooperative or an authorized agency tests a meter at the Member's request and the Member request a new test within a period of two (2) years, the Cooperative will charge a meter test fee to the Member. The fee must be paid prior to fulfilling the request. All fee amounts are per Section 500.4, Fee Schedule.

Following the completion of any requested test, the Cooperative will advise the Member of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

300.13.5 ADJUSTMENTS DUE TO METER ERRORS

If the Cooperative finds any meter to be out of compliance with the accuracy standards, the Cooperative will render corrected readings and adjust bills for the period of over-billing or under-billing as described herein in Section 300.11, Billing and Payment.

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

If a meter is found to not register for any period, the Cooperative will estimate and charge for units used, but not metered for the under-billed period as described herein in Section 300.14.1.1, Under-Billing. The Cooperative estimates charges based on amounts used under similar conditions during

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 30 of 88

the period preceding or subsequent to the period the meter was found not to register, or during corresponding periods in previous years.

300.13.6 ADVANCE METERING OPT OUT PROGRAM

This program only applies to residential accounts (excluding residential accounts with interconnection agreements or proprietor accounts). A Member may request to opt out from use of the Cooperative's advanced meter at a service location. The Cooperative may grant such request subject to certain qualifications and conditions.

300.13.6.1 METER EXCHANGE FEE

The Cooperative will charge a fee for any meter exchange at any service location already equipped with an advanced meter. Any Member participating in this program for new service locations will be required to pay the Cooperative's establishment fee. All fee amounts are per Section 500.4, Fee Schedule.

300.13.6.1.1 AUTOMATIC PAYMENTS

A Member must authorize automatic payments through either the Credit Card Payment Plan or Bank Draft Payment Plan to participate in this program. If a Member cancels authorization for automatic payments, then the Cooperative will exchange the meter for an advanced meter and the Member will be unable to participate in the program.

300.13.6.1.2 METER READINGS AND METER READING FEE

Members may qualify for a monthly or quarterly reading schedule. For Members on a monthly reading schedule, monthly fees will still apply and the Cooperative will use the Member's energy consumption history to estimate the monthly bill calculation. The Cooperative will adjust any under-billing or over-billing resulting from the quarterly meter readings after the Cooperative acquires a new meter read.

A Member participating on a monthly reading schedule may request a quarterly reading schedule if the Member has:

1. Paid all bills for service during twelve (12) consecutive months;
2. Not been disconnected for nonpayment;
3. Not had a delinquent payment more than once; and
4. Not had a check returned more than once.

For Members on a quarterly reading schedule, monthly fees will still apply and the Cooperative will use the Member's energy consumption history to estimate the monthly bill calculation. The Cooperative will adjust any under-billing or over-billing resulting from the quarterly meter readings after the Cooperative acquires a new meter read.

The Cooperative will charge a fee to each Member participating in this program each month for non-standard manual meter readings by the Cooperative and for processing of such readings for each service location. An additional per mile charge will apply for service locations further than twenty (20) miles from nearest area office. All fee amounts are per Section 500.4, Fee Schedule.

300.13.7 METER TAMPERING; THEFT OF ELECTRIC SERVICE

Meter tampering is a criminal offense. Meter tampering includes, but is not limited to: bypassing the meter or other instances of diversion, such as physically disorienting the meter; attaching

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 31 of 88

objects to the meter to divert or bypass service; inserting objects into the meter; and other electrical and mechanical means of tampering with, bypassing, or diverting electrical service.

The Cooperative will charge a fee plus all applicable charges for the estimated energy consumption where meter tampering occurred. All fee amounts are per Section 500.4, Fee Schedule.

Furthermore, the Cooperative may choose to file criminal charges against any Person, including any of its Members, when there is evidence of the following:

1. Interference with and/or tampering with any of the Cooperative's equipment, including, without limitation, one or more of its meters (Section 28.03 of the Penal Code of the State of Texas) or any other circumstance listed in this Tariff; and/or
2. Theft of electric service (Section 31.04 of the Penal Code of the State of Texas).

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

300.13.8 METER TEST FEE

Upon request, once every two (2) years, a Member may receive a meter test at no charge. If a Member asks for an additional meter test and the meter is found to be in compliance with ANSI standards, a fee will be incurred. If the meter is found to be out of compliance with the applicable ANSI standard, the Cooperative will not charge a fee to the Member. All fee amounts are per Section 500.4, Fee Schedule.

300.14 DISPUTE RESOLUTION

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

300.14.1 BILLING DISCREPANCIES OR ADJUSTMENTS

If a Member is billed for charges erroneously per the Tariff or if the Cooperative fails to bill a Member for services, then the Cooperative will calculate, adjust, and apply all applicable charges in the manner described herein.

300.14.1.1 UNDER-BILLING

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

An installment plan may be available for any periods of under-billing except for such periods resulting from meter tampering, bypass, diversion, or other similar circumstance.

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

Section 300: General Service Rules and Regulations

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 32 of 88

300.14.1.2 OVER-BILLING

If the Member's account is over-billed, the Cooperative will adjust the Member's bill accordingly for the entire over-billed period.

300.14.2 POWER FACTOR ADJUSTMENT

The Cooperative may adjust Capacity Demand Charges if the power factor is lower than ninety-seven percent (97%). Measured capacity (kW) may be increased by one percent (1%) for each one percent (1%) by which the power factor is less than ninety-seven percent (97%) lagging for a period of fifteen (15) consecutive minutes.

300.14.3 REFUNDS

Upon closure of an account, the Cooperative will issue the Member a refund check for credit balances of five dollars (\$5.00) or more. The Cooperative only issues refunds on credit balances of less than five dollars (\$5.00) upon verbal request by the account holder. The Cooperative will transfer any amounts not refunded in accordance with the Unclaimed Property Policy of the Cooperative.

300.14.4 MEMBER COMPLAINTS

The Cooperative has established procedures to address all complaints from Members. A Member or Applicant may file a complaint in person, by letter, on the website, or by telephone with the Cooperative.

If an employee of the Cooperative cannot immediately resolve a complaint, the employee will forward the information collected to a supervisor or manager. The employee's supervisor or manager will review the complaint and related information, and he or she will advise the complainant of the results within five (5) Business Days of the complaint. The Cooperative will investigate the Member complaint, and will report the results to the complainant. If dissatisfied, the complainant may file a written complaint with either the Cooperative's Chief Executive Officer or designee of the Chief Executive Officer. Under their direction, a three (3) Member management team will review the complaint. The Cooperative will advise the complainant of the results within ten (10) Business Days of the written complaint.

The Cooperative will not disconnect service before completion of the review. If the Member chooses not to participate in a review, the Cooperative may disconnect service provided it issues proper notice under the corresponding disconnect procedures.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 33 of 88

400 LINE EXTENSION POLICY

400.1 OVERVIEW

The Cooperative will extend electric service to an Applicant in accordance with the following line extension provisions. Each provision in this Tariff classifies the predominant type of electric service or use anticipated on the Applicant's premises and specifies conditions under which a line extension may be made. For each location where electric service is desired, the Applicant's classification for electric service will be determined by the Cooperative.

Electric service will not be provided and no work to extend electric service will be performed until the Applicant has met all requirements within this Tariff for extension of service including, without limitation, routing, underground service requirements, if applicable, and paid any and all fees or charges associated with the provision of electric service. This may include, but is not limited to, membership fees, establishment fees, deposits, system impact fees, CIAC, and/or planning design fees.

If facilities must be constructed, the Cooperative will provide an estimated completion date and a Cost Calculation or Development Cost Calculation for all charges to extend electric service. The requests for new electric service requiring construction should be completed within ninety (90) calendar days of fulfilling all applicable requirements, unless delayed by a cause beyond the reasonable control of the Cooperative, or unless a different time period is agreed to by the Applicant and the Cooperative.

The Applicant must comply with all requirements in Section 300.9.1, Conditions of Service. All applicable provisions of the Tariff, and standards and specifications of the Cooperative for construction, to receive electric service.

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

400.2 RESIDENTIAL SERVICE

APPLICABILITY

To qualify for an extension under this section, the Applicant and the location where the Applicant is requesting electric service must comply with the following provisions:

1. The location must be a permanent Individual Private Dwelling or Multi-Family Dwelling; and
2. The location is intended to serve as the Applicant's primary residence and will qualify as the Applicant's homestead with the Applicant's local property appraisal district within twelve (12) months of completion of extending electric service to the Point of Delivery; or
3. If the Applicant is developing a residential subdivision or mixed-use development with Individual Private Dwelling(s) or Multi-Family Dwelling(s), the Applicant must comply with all requirements under Section 400.6, Residential Developments, and have paid the CIAC required under that section.

All other applicable provisions of this Policy apply to an extension of service under this section.

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Cost Calculation to the Point of Delivery based on its then current unit material and labor costs, and in accordance with the Cooperative's current standards and specifications.

There will be no charge to the Applicant for up to the first two-thousand dollars (\$2,000.00) per meter that qualifies under this section for the cost to extend electric service to the Point of Delivery. The Applicant will be required to pay any costs in excess of two-thousand dollars (\$2,000.00) per meter as a CIAC prior to construction.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 34 of 88

The Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Cost Calculation will be at the sole expense of the Applicant.

400.3 OTHER RESIDENTIAL SERVICE

APPLICABILITY

To qualify as an extension under this section, the Applicant and the location where an Applicant is requesting electric service must comply with the following provisions:

1. The location does not qualify under Section 400.2, Residential Service; and
2. The location is a residence or dwelling unit intended for permanent use such as, but not limited to, a personal recreational vehicle, hunting cabin, or other lodging not utilized full-time; or
3. The location is a permanent installation of infrequent consumption such as a barn, shop, water well, gate opener, Member-owned lighting system, or other residential installations.

All other applicable provisions of this Policy apply to an extension of service under this section.

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Cost Calculation to the Point of Delivery based on its then current unit material and labor costs, and in accordance with to the Cooperative's then current standards and specifications.

There will be no charge to the Applicant for up to the first eight-hundred dollars (\$800.00) per meter that qualifies under this section for the cost to extend electric service to the Point of Delivery. The Applicant will be required to pay any costs in excess of eight-hundred dollars (\$800.00) per meter as a CIAC prior to construction.

Effective June 1, 2020, the paragraph above will be replaced as follows.

The Applicant will be required to pay all costs per meter that qualifies under this section for the cost to extend electric service to the Point of Delivery as a CIAC prior to construction.

The Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Cost Calculation will be at the sole expense of the Applicant.

400.4 NON-RESIDENTIAL SERVICE

APPLICABILITY

To qualify as an extension under this section, the Applicant and the location where an Applicant is requesting electric service must comply with the following provisions:

1. Be classified as a permanent commercial or industrial installation; and
2. If the Applicant is developing a non-residential development or mixed-use development, the Applicant must comply with all requirements under Section 400.7, Non-Residential Developments, and have paid the CIAC required under that section.

All other applicable provisions of this Policy apply to an extension of service under this section.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 35 of 88

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Cost Calculation to the Point of Delivery based on its then current unit material and labor costs and in accordance with the Cooperative's then current standards and specifications.

There will be no charge to the Applicant for up to the first two-thousand dollars (\$2,000.00) per meter that qualifies under this section for the cost to extend electric service including transformation facilities, meter facilities, and any required facilities between, unless specifically excluded in Section 400.8, Underground Service, for Underground Facilities for residential and non-residential developments. The Applicant will be required to pay any costs in excess of two-thousand dollars (\$2,000.00) per meter as a CIAC prior to construction.

The Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Cost Calculation will be at the sole expense of the Applicant.

The Cooperative will exercise prudent judgement in determining the conditions under which a specific line extension will be made for an Applicant with a load greater than one-thousand (1,000) kW. This may include, but is not limited to, CIAC, contract minimums, service specifications, and/or other contract terms, arrangements, or conditions deemed reasonable by the Cooperative.

UPGRADES TO EXISTING COOPERATIVE FACILITIES

The cost for any upgrade, addition, or change in configuration of existing Cooperative Facilities will be at the sole expense of the Applicant.

Effective June 1, 2020, the paragraph above will be removed and added as Section 400.13, Service Upgrades to Existing Cooperative Facilities.

**400.5 OTHER NON-RESIDENTIAL SERVICE
APPLICABILITY**

To qualify as an extension under this section, the Applicant and the location where an Applicant is requesting electric service must comply with the following provisions:

1. Be a permanent non-residential installation with detachable consuming facilities, such as a mobile food establishment; or
2. Be a permanent installation of infrequent consumption such as a fire pump, garbage disposal compactor, or other non-residential installations not included in Section 400.4, Non-Residential Service.

All other applicable provisions of this Policy apply to an extension of service under this section.

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Cost Calculation to the Point of Delivery based on its then current unit material and labor costs and in accordance with to the Cooperative's then current standards and specifications.

There will be no charge to the Applicant for up to the first eight-hundred dollars (\$800.00) per meter that qualifies under this section for the cost to extend electric service, including transformation facilities, meter facilities, and any required facilities between, unless specifically excluded in Section 400.8, Underground Service, for Underground Facilities for residential and non-residential developments. The Applicant will be required to pay any costs in excess of eight-hundred dollars (\$800.00) per meter as a CIAC prior to construction.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 36 of 88

Effective June 1, 2020, the paragraph above will be replaced as follows.

The Applicant will be required to pay all costs per meter that qualifies under this section for the cost to extend electric service, including transformation facilities, meter facilities, and any required facilities between, unless specifically excluded in Section 400.8, Underground Service, for Underground Facilities for residential and non-residential developments, as a CIAC prior to construction.

The Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Cost Calculation will be at the sole expense of the Applicant.

400.6 RESIDENTIAL DEVELOPMENTS

APPLICABILITY

To qualify for an extension pursuant to this section, the Applicant and the residential development for which the Applicant is requesting electric service must comply with the following provisions:

1. The development is platted and recorded in the appropriate county with sites or lots for multiple prospective Applicants to be primarily used or developed for permanent Individual Private Dwelling(s) or Multi-Family Dwelling(s) or a preliminary plat plan approved by a municipality or county or other authority having jurisdiction for the purposes of sale, transfer, or residential development;
2. The development has been approved by all relevant governing agencies; and
3. The Applicant will provide at no cost to the Cooperative:
 - a. Easements for the Cooperative's construction, installation, maintenance, operation, replacement and/or repair of Cooperative Facilities in a form satisfactory to the Cooperative;
 - b. Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.) and notice of construction start dates and construction schedules that are reasonable and industry standard for the type of work to be performed;
 - c. Survey points for grades, lot corners, street right-of-way, and other locations reasonably necessary for installation of the electric system; and
 - d. An "Approved-for-Construction" Plan by a municipality or county or other authority having jurisdiction.
4. The Cooperative is not and will not be obligated to provide designs or Development Cost Calculations to an Applicant for a preliminary plan that has not been reviewed and approved by the applicable authority.

All other applicable provisions of this Policy apply to an extension of service under this section.

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Development Cost Calculation for the electric facilities adequate to serve all prospective Individual Private Dwelling(s) or Multi-Family Dwelling(s) in the residential development. These electric facilities will include as applicable primary and secondary infrastructure including, without limitation, primary conductors, poles, risers, appurtenances, terminations and any other electric equipment and devices required for electric service to the residential development. The Cooperative will determine the Development Cost Calculation based on its then current unit material and labor costs and in accordance with the Cooperative's then current standards and specifications.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 37 of 88

The Applicant will bear the cost of the facilities, identified in this section, required for the electric distribution system within the residential subdivision or development as determined in the Development Cost Calculation and will pay such costs in advance of construction.

The Development Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Development Cost Calculation will be at the sole expense of the Applicant.

To the extent that an individual Applicant requests electric service within a residential subdivision, such Applicant must request electric service pursuant to the requirements of Section 400.2, Residential Service, or Section 400.3, Other Residential Service, and will be responsible for any CIAC and any system impact fees required by the provision of such electric service.

To the extent that any commercial facilities associated with a residential development are required, an Applicant must request electric service pursuant to the requirements of Section 400.4, Non-Residential Service or Section 400.5, Other Non-Residential Service for those commercial facilities and will be responsible for any CIAC and any system impact fees required by the provision of such electric service.

The Cooperative will install all Cooperative Facilities required within the limits of the residential subdivision or development based on its necessary load requirements on its schedule but prior to the provision of electric service to any individual Applicants.

400.7 NON-RESIDENTIAL DEVELOPMENTS

APPLICABILITY

To qualify for an extension pursuant to this section, the Applicant and the non-residential development for which the Applicant is requesting electric service must comply with the following provisions:

1. The development is platted and recorded in the appropriate county with sites or lots for multiple prospective Applicants to be primarily used or developed for permanent commercial, industrial, retail, and/or office use or a preliminary plat plan approved by a municipality or county or other authority having jurisdiction for the purposes of sale, transfer, or non-residential development;
2. The development has been approved by all relevant governing agencies; and
3. The Applicant will provide at no cost to the Cooperative:
 - a. Easements for the Cooperative's construction, installation, maintenance, operation, replacement and/or repair of Cooperative Facilities in a form satisfactory to the Cooperative;
 - b. Site plans (streets, wet utilities, mechanical, electrical, plumbing, and landscaping plans, etc.) and notice of construction start dates and construction schedules that are reasonable and industry standard for the type of work to be performed;
 - c. Survey points for grades, lot corners, street right-of-way, and other locations reasonably necessary for installation of the electric system; and
 - d. An "Approved-for-Construction Plan" from a municipality or county or other authority having jurisdiction.
4. The Cooperative is and will be not obligated to provide designs or Development Cost Calculations to an Applicant for a preliminary plan that has not been reviewed and approved by the applicable authority.

All other applicable provisions of this Policy apply to an extension of service under this section.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 38 of 88

CONTRIBUTION IN AID OF CONSTRUCTION BY APPLICANT

The Cooperative will determine the Development Cost Calculation to serve all prospective units in the non-residential development. These electric facilities will include as applicable including, without limitation, primary conductors, poles, risers, appurtenances, terminations and any other electric equipment and devices required for electric service to the non-residential development. The Cooperative will determine the Development Cost Calculation based on its then current unit material and labor costs and in accordance with the Cooperative's then current standards and specifications.

The Applicant will bear the cost of the electric facilities, identified in this section, required for the electric distribution system within the non-residential development as calculated in the Development Cost Calculation and will pay such costs in advance of construction.

The Development Cost Calculation may expire or be re-calculated at the sole discretion of the Cooperative. Any additional cost incurred by the Cooperative in excess of the Development Cost Calculation will be at the sole expense of the Applicant.

To the extent that an individual Applicant requests electric service within a non-residential development, such Applicant must request electric service pursuant to the requirements of Section 400.4, or Section 400.5 and will be responsible for any CIAC and any system impact fees required by the provision of such electric service.

The Cooperative will install all Cooperative Facilities required within the limits of the non-residential development based on its necessary load requirements on its schedule but prior to the provision of electric service to any individual Applicants.

400.8 UNDERGROUND SERVICE

The following provisions for the extension of underground electric service are in addition to the standard provisions established in the prior sections.

UNDERGROUND FACILITIES FOR SERVICES – RESIDENTIAL OR NON-RESIDENTIAL

Underground electric primary and secondary lines to serve any Applicant may, by agreement with the Cooperative, be provided subject to the other requirements in this Policy.

In addition, when receiving underground electric service, an Applicant will be responsible for providing and installing all trenches and backfill, sectionalized cabinets, concrete work associated with pad-mounted facilities, secondary services as determined by the Cooperative, all conduit, and any and all other facilities deemed necessary by the Cooperative.

In all cases, any underground secondary service lines from a meter to the Applicant's main disconnect switch or service center will be installed and maintained by the Applicant, and the Cooperative will have no responsibility or liability in connection therewith.

UNDERGROUND FACILITIES FOR DEVELOPMENTS – RESIDENTIAL OR NON-RESIDENTIAL

Where an Applicant requests the construction of underground electric facilities within a platted residential subdivision or non-residential development, the Applicant will bear the cost of the underground electric system adequate to serve all prospective units in the subdivision or development as determined by the Cooperative. The Applicant will be responsible for providing and installing all trenches and backfill, sectionalized cabinets, concrete work associated with pad-mounted facilities, all conduit, and any and all other facilities deemed necessary by the Cooperative, adequate to serve all prospective units in the subdivision or development and all other prospective members who may require electric service from said underground system.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 39 of 88

400.9 ROUTING

In all cases, the line extension will be constructed within private easements granted on the Cooperative's standard form; at the sole discretion of the Cooperative, the Cooperative may construct line extensions within public utility easements, or public right-of-way or other agreements. The line extension will be constructed along a route that is reasonably accessible during all weather conditions as determined by the Cooperative. Cooperative Facilities will not be installed along the backs of lots or in areas deemed inaccessible or hazardous by the Cooperative.

The Applicant will be responsible for the clearing of any and all private easements or public utility easements required for the construction of the line extension on its property and removing of such obstructions as interfere with the efficiency of the electric system. All clearing will be performed to the Cooperative's specifications. The Cooperative may clear private easements or public utility easements or public right-of-way in certain instances. If the Cooperative or its agent clears private easements or public utility easements or a public right-of-way the cost will be included in the Cost Calculation or Development Cost Calculation.

400.10 AREA LIGHTING

In underground installations, the Applicant requesting area lighting under Section 500.3.3, Cooperative Owned Area Lighting, will be responsible for providing and installing all lighting infrastructure, including but not limited to trench and associated backfill, lighting post, concrete work, secondary service conductors, and conduit.

In overhead installations, the Cooperative will provide secondary service conductor to serve overhead area lighting fixtures owned by the Cooperative under Section 500.3.3, Cooperative Owned Area Lighting, without charge to the Applicant.

In either type of installation, for any additional Cooperative Facilities needed for area lighting, the Applicant will be required to pay any costs as a CIAC prior to construction.

400.11 NON-METERED NON-RESIDENTIAL SERVICE

The Cooperative at its sole discretion will determine if an Applicant may be served under this section.

In underground installations, the Applicant requesting facilities to provide electric service to non-metered non-residential installations, as determined by the Cooperative, will be responsible for providing and installing all trenches and backfill, sectionalized cabinets, concrete work associated with pad-mounted facilities, secondary services as determined by the Cooperative, all conduit, and any and all other facilities deemed necessary by the Cooperative.

In overhead installations, the Cooperative will provide secondary service conductor for the non-metered non-residential installation, and the Applicant will be responsible for providing and installing all other infrastructure.

In either type of installation, for any additional Cooperative Facilities needed for non-metered non-residential, the Applicant will be required to pay any costs as a CIAC prior to construction.

400.12 NON-PERMANENT SERVICE

In any circumstance where the need for electric service is not permanent, the Applicant will pay one-hundred percent (100%) of the cost of installation and removal of all necessary electric service facilities and equipment before any construction begins.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 40 of 88

Effective June 1, 2020, the following section will become effective.

400.13 SERVICE UPGRADES TO EXISTING COOPERATIVE FACILITIES

The cost for any upgrade, addition, or change in configuration of existing Cooperative Facilities will be at the sole expense of the Applicant.

400.14 SYSTEM IMPACT FEE

A non-refundable charge will be collected for extending electric service to a new service location. This amount represents a contribution to the Cooperative's system cost associated with substation and electric distribution backbone facilities and is in addition to any amount due for the line extension. All fee amounts are per Section 500.4, Fee Schedule.

400.15 AFTER-HOURS SERVICE

If an Applicant requests after-hours service, the Applicant will pay the additional cost incurred by the Cooperative to provide after-hours service to the Applicant.

400.16 NO REFUND OF CONTRIBUTION IN AID OF CONSTRUCTION

Payments necessary for construction of facilities, which will be used to deliver electric service to the Applicant, are CIAC and are not refundable after construction.

400.17 DE-ENERGIZATION AND LINE CLEARANCES

The Cooperative, in its sole discretion, may temporarily de-energize Cooperative Facilities or temporarily relocate or raise Cooperative Facilities at the request of an Applicant to assist in the transportation of oversized objects through the Cooperative's service territory or in the construction of pipelines or other objects within or otherwise affecting the Cooperative's right-of-way provided that the Applicant pays for all costs incurred by the Cooperative.

Costs incurred may include labor and materials, engineering design, right of way acquisition and clearing to the extent necessary, and vehicles or equipment used, including mileage, if applicable.

400.18 OWNERSHIP OF COOPERATIVE FACILITIES

The Cooperative will retain the ownership of all material and facilities installed by the Cooperative or Applicant for the distribution of electric service whether or not the same have been paid for by the Applicant except for those facilities installed by the Applicant past the Point of Delivery.

400.19 REMOVAL AND/OR RELOCATION OF COOPERATIVE FACILITIES

At the Cooperative's sole discretion, the Cooperative may remove existing Cooperative Facilities on Applicant's premises at the Applicant's request provided that the Applicant has paid in advance for the cost of the removal of the existing Cooperative Facilities.

The Cooperative will relocate its existing Cooperative Facilities on Applicant's premises at the Applicant's request provided the Applicant has:

1. Provided an easement satisfactory to the Cooperative for the new facilities, and
2. Paid in advance for the cost of the removal of the existing Cooperative Facilities plus the cost for the construction of the new facilities.

Upon request by an Applicant, the Cooperative will replace an existing overhead electric line with an underground line provided that the Cooperative has:

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 41 of 88

1. Determined in its sole discretion that such replacement does not adversely impact electric service reliability or the Cooperative's operating efficiencies;
2. Received an easement(s), in a form satisfactory to the Cooperative, for the construction, installation, maintenance, operation, replacement and/or repair of the underground Cooperative Facilities, at no cost to the Cooperative; and
3. Received payment in advance for all costs of removal of the existing Cooperative Facilities and the full amount of the Cooperative's cost for the construction and installation of the new underground facilities.

If the Cooperative determines it is necessary to relocate existing Cooperative Facilities because a Member or any other Person fails or refuses to allow the Cooperative access to Cooperative Facilities at any time, then the Member or any other party responsible may be billed the cost of such relocation and associated expenses.

If the Cooperative determines that a safety or standard violation exists on a Member or any other Person's premises directly or indirectly caused by such Person, then the Cooperative, at the expense of such Person, will relocate Cooperative Facilities on such premises. The Member or appropriate Person will be financially responsible for the relocation or removal of Cooperative Facilities by the Cooperative and all other associated costs incurred to address the safety or standards violation.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 42 of 88

500 RATES

500.1 MEMBER CHARGES, CREDITS AND ADJUSTMENTS

500.1.1 SERVICE AVAILABILITY CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge, recovers the cost associated with providing services to the membership including billing, metering, collections, customer service, and other enterprise costs.

RATE

This charge, per meter, will be applicable according to the Member's rate schedule.

500.1.2 DELIVERY CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge recovers the cost associated with the maintenance and operations of the distribution infrastructure and other related costs.

RATE

This charge, per kWh, will be applicable according to the Member's rate schedule.

500.1.3 CAPACITY DEMAND CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge recovers the cost associated with the maintenance and operations of the distribution infrastructure and other related costs.

RATE

This charge, per kW of energy consumed, will be applicable according to the Member's rate schedule.

500.1.4 BASE POWER CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge will be used to recover the Cooperative's actual cost of power purchased for the membership and other costs incurred in connection with the development and management of the Cooperative's power supply. Members may have the option to choose from either Flat Base Power Charge or Time-of-Use (TOU) Base Power Charge as defined below.

RATE

This charge, per kWh, will be applicable according to the Base Power Rate option selected by the Member and the Member's rate schedule. The options are as follow.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 43 of 88

500.1.4.1 FLAT BASE POWER CHARGE

APPLICABILITY

This charge option may be applicable to all rate schedules and programs except for Transmission Level Service, Industrial Power Service, and Power Plant Start Service. The Flat Base Power Charge will be used for billing on Member accounts that do not choose the TOU Base Power Charge.

PURPOSE

This option allows Members to have the same cost of power regardless of the season or time of day during which the energy is consumed.

RATE

The charges are:

Secondary Service:	\$0.060500 per kWh
Primary Service:	\$0.059290 per kWh

Effective June 1, 2020, the charges above will be replaced as follows.

Secondary Service:	\$0.045500 per kWh
Primary Service:	\$0.044590 per kWh

500.1.4.2 TIME-OF-USE BASE POWER CHARGE

APPLICABILITY

This charge may be applicable to all rates schedules and programs except for Cooperative Owned Area Lighting, Interconnections, Transmission Level Service, Industrial Power Service, and Power Plant Start Service.

PURPOSE

This charge option allows Member's cost of power to vary based on the time of day and season during which energy is consumed.

CONDITIONS

This charge option requires a twelve (12) month commitment. If a Member opts-out of the TOU Base Power Charge option prior to fulfilling the twelve (12) month commitment, the charge option will not be available to the Member for the following twelve (12) months.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 44 of 88

RATE

The charges are:

Season	Time of Use Period		Secondary Level Service, per kWh	Primary Level Service, per kWh
Non-Summer (Jan. – May and Oct. – Dec.)	Super Economy	2:01 am – 4:00 am	\$0.037600	\$0.036850
	Economy	11:01 pm – 2:00 am 4:01 am – 5:00 am	\$0.042600	\$0.041750
	Normal	8:01 am – 4:00 pm 7:01 pm – 11:00 pm	\$0.058600	\$0.057430
	Peak	5:01 am – 8:00 am 4:01 pm – 7:00 pm	\$0.067700	\$0.066300
Summer (Jun. – Sep.)	Super Economy	3:01 am – 5:00 am	\$0.039000	\$0.038220
	Economy	11:01 pm – 3:00 am 5:01 am – 7:00 am	\$0.043600	\$0.042730
	Normal	7:01 am – 12:00 pm 8:01 pm – 11:00 pm	\$0.053600	\$0.052530
	Peak	12:01 pm – 2:00 pm 6:01 pm – 8:00 pm	\$0.069800	\$0.068400
	Super Peak	2:01 pm – 6:00 pm	\$0.102600	\$0.100550

Effective June 1, 2020, the table above will be replaced as follows.

Season	Time of Use Period		Secondary Level Service, per kWh	Primary Level Service, per kWh
Non-Summer (Jan. – May and Oct. – Dec.)	Super Economy	2:01 am – 4:00 am	\$0.028259	\$0.027694
	Economy	11:01 pm – 2:00 am 4:01 am – 5:00 am	\$0.032060	\$0.031419
	Normal	8:01 am – 4:00 pm 7:01 pm – 11:00 pm	\$0.044103	\$0.043221
	Peak	5:01 am – 8:00 am 4:01 pm – 7:00 pm	\$0.050926	\$0.049908
Summer (Jun. – Sep.)	Super Economy	3:01 am – 5:00 am	\$0.029346	\$0.028759
	Economy	11:01 pm – 3:00 am 5:01 am – 7:00 am	\$0.032819	\$0.032163
	Normal	7:01 am – 12:00 pm 8:01 pm – 11:00 pm	\$0.040297	\$0.039491
	Peak	12:01 pm – 2:00 pm 6:01 pm – 8:00 pm	\$0.052494	\$0.051444
	Super Peak	2:01 pm – 6:00 pm	\$0.077141	\$0.075598

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 45 of 88

500.1.5 POWER COST ADJUSTMENT

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This adjustment allows actual power costs (both increases and decreases) to be passed on to Members more frequently.

RATE

The charge is:

\$ – 0.014000, per kWh

Effective June 1, 2020, Section 500.1.5 will be removed, as well as all references to it throughout the Tariff.

500.1.6 TRANSMISSION COST OF SERVICE (TCOS) CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge recovers the cost associated with transmission infrastructure as established by the Commission.

RATE

The charge is:

\$ 0.012560 per kWh

500.1.7 COOPERATIVE SOLAR TRANSMISSION COST ADJUSTMENT

APPLICABILITY

This adjustment is applicable to all Members enrolled in the Cooperative Solar Rate.

PURPOSE

This adjustment will be used to credit a Member's account with a portion of the savings from the avoided TCOS charges attributable to Cooperative solar generation.

RATE

The adjustment, per kWh, will be determined as follows:

For all kWh sold to any Members enrolled in the Cooperative Solar Rate, the solar transmission cost adjustment (STCA) will be calculated as follows:

$$\text{STCA} = - (80\% \times \text{Transmission Cost of Service Charge})$$

500.1.8 RENEWABLE ENERGY RIDER CHARGE

APPLICABILITY

This charge may be applicable according to the Member's rate schedule.

PURPOSE

This charge provides Member's the ability to purchase electricity generated by renewable energy sources.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 46 of 88

RATE

The charge is:

\$ 0.000430 per kWh

The pricing is based on the Texas Renewable Energy Credits Index and will be changed periodically to reflect current index pricing.

500.1.9 NET ENERGY CREDIT

APPLICABILITY

This credit is applicable to all Members enrolled in the Interconnect Net Metering Rate.

PURPOSE

This credit will be used to compensate a Member for generation received from an Interconnection less than or equal to fifty (50) kW.

RATE

The credit, per kWh, will be determined as follows:

Net Energy Credit = – (Flat Base Power Charge)

500.1.10 WHOLESALE ENERGY CREDIT

APPLICABILITY

This credit is applicable to all Members enrolled in the Interconnect Wholesale Energy Rate.

PURPOSE

This credit will be used to compensate a Member for generation received from an Interconnection greater than fifty (50) kW and less than four hundred (400) kW.

RATE

The credit, per kWh, will be determined as follows:

Wholesale Energy Credit = – (80% X Flat Base Power Charge)

500.1.11 FRANCHISE FEE

APPLICABILITY

This charge may be applicable to all Members served by the Cooperative inside a municipality's corporate boundary. All franchise fees not included in base rates will be separately assessed for Member service provided within the municipality where the franchise fee is authorized. The portion of the franchise fee not included in base rates will appear on the bill as a separate line item.

RATE

This charge will be calculated by multiplying the franchise fee percentage assessed by the municipality times the charges for energy and power sold and such other authorized charges to a Member (excluding any taxes and other authorized exclusions). Applicable sales tax may be assessed on franchise fee amounts.

500.1.12 REVENUE ADJUSTMENT FACTOR (RAF)

APPLICABILITY

This adjustment is applicable to all rates except the Transmission Level Service, Industrial Power Service, and Power Plant Start Service.

PURPOSE

This adjustment will be used to provide Members a temporary rate reduction, when approved by the Board of Directors.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 47 of 88

RATE

The RAF, per kWh, will be determined as follows:

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

Where:

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

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

For the time period subject to the adjustment, the RAF will be multiplied by the Delivered Energy billed to the Member during the billing cycle(s). Application of the RAF is intended to decrease the Member's bill.

Use and timeframe for the application of the RAF, including the starting and end dates, must be approved by the Board of Directors by adoption of a board resolution.

500.1.13 SALES TAX

APPLICABILITY

This charge may be applicable to the Member in addition to the applicable Rates. Members claiming exemption from sales taxes should provide a sales tax-exemption form, acceptable to the Cooperative.

500.1.14 POWER OF CHANGE

APPLICABILITY

This adjustment is applicable to all Members participating in PEC's voluntary on-bill round up and donation program. A participating Member may choose to discontinue at any time.

PURPOSE

This adjustment is used to raise funds to support community support programs and associated giving subject to the conditions in the Community Support Policy – Power of Change.

RATE

The total monthly bill will be rounded up to the nearest dollar.

500.1.15 CAPITAL CREDITS

APPLICABILITY

This adjustment may apply to all Members who have allocated capital credits.

PURPOSE

This adjustment will serve as the Cooperative's method to distribute a Member's share of the Cooperative's Net Operating Margins based upon each Member's purchases of electric service or energy, or as such Net Operating Margins may otherwise be allocated within a Member Class to a Member.

RATE

As approved by the Board of Directors.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 48 of 88

500.2 RATE SCHEDULES

500.2.1 RESIDENTIAL, FARM AND RANCH SERVICE

500.2.1.1 RESIDENTIAL SERVICE – CONVENTIONAL

APPLICABILITY

This schedule is applicable to distribution service provided to locations built to serve as and are currently serving as an Individual Private Dwelling or Multi-Family Dwelling and their facilities, or facilities used for small-scale agricultural purposes such as water wells.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 22.50	meter
Delivery Charge:	\$ 0.027120	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.1.2 RESIDENTIAL SERVICE – EBILLING

APPLICABILITY

This schedule is applicable to distribution service provided to locations built to serve as and are currently serving as an Individual Private Dwelling or Multi-Family Dwelling and their facilities, or facilities used for small-scale agricultural purposes such as water wells that choose to receive a paperless bill.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 21.50	meter
Delivery Charge:	\$ 0.027120	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.1.3 RESIDENTIAL SERVICE – EDRAFT

APPLICABILITY

This schedule is applicable to distribution service provided to locations built to serve as and are currently serving as an Individual Private Dwelling or Multi-Family Dwelling and their facilities, or facilities used for small-scale agricultural purposes such as water wells that choose to pay as per Section 300.11.3.6, Bank Draft Payment Plan.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 49 of 88

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 21.00	meter
Delivery Charge:	\$ 0.027120	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.1.4 RESIDENTIAL SERVICE – ESAVER

APPLICABILITY

This schedule is applicable to distribution service provided to locations built to serve as and are currently serving as an Individual Private Dwelling or Multi-Family Dwelling and their facilities, or facilities used for small-scale agricultural purposes such as water wells that choose to receive a paperless bill and pay as per Section 300.11.3.6, Bank Draft Payment Plan.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 20.00	meter
Delivery Charge:	\$ 0.027120	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.1.5 WATER WELL SERVICE

APPLICABILITY

This schedule is applicable to distribution service locations with water wells used solely for small-scale agricultural purposes. Agricultural purposes include livestock watering, crop irrigation, and fisheries. Irrigation for recreational purposes is served under other rate schedules.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 19.50	meter
Delivery Charge:	\$ 0.027120	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 50 of 88

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

Effective June 1, 2020, Rate Schedule in Section 500.2.1.5, Water Well Service, will be removed, as well as all references to it throughout the Tariff. Members will be enrolled in the applicable Rate Schedule.

500.2.2 NON-RESIDENTIAL SERVICE

500.2.2.1 SMALL POWER SERVICE

APPLICABILITY

This schedule is applicable to distribution service locations built for commercial purposes with a rolling twelve (12) month average demand below seventy-five (75) kW. Member owned street lighting will also be billed under this rate.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 37.50	meter
Delivery Charge:	\$ 0.021010	kWh
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

**500.2.2.2 LARGE POWER SERVICE, PRIMARY AND SECONDARY
LEVEL**

APPLICABILITY

This schedule is applicable to distribution service locations built for commercial and industrial purposes with a rolling twelve (12) month average demand greater than seventy-five (75) kW but less than ten-thousand (10,000) kW, and whose use is not covered by another specific rate schedule. If a Member's demand is below seventy-five (75) kW in any rolling twelve (12) month period, then the Cooperative may re-classify the Member as Small Power Service for a period of at least twelve (12) months or until the demand is greater than seventy-five (75) kW.

Secondary Rate – This rate will be provided for those Members receiving service at secondary voltages less than six (6) kV at locations where the Cooperative owns the transformation facilities.

Primary Rate – This rate will be provided for high voltage deliveries to the transformer at six (6) kV or higher where the Member has paid for the transformation facilities or where deliveries to the Member are at six (6) kV or higher. A delivery point meeting the above criteria will be charged the primary rate whether the delivery is metered on the low side or the high side of the point of transformation. Meter readings from the low side transformation will be adjusted for transformation losses.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 51 of 88

MONTHLY RATE

The following charges will apply:

Secondary Level Service:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 150.00	meter
Delivery Charge:	\$ 0.008850	kWh
Capacity Demand Charge:	\$ 3.38	kW
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

Primary Level Service:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 150.00	meter
Delivery Charge:	\$ 0.008670	kWh
Capacity Demand Charge:	\$ 3.31	kW
Base Power Charge:	Per Section 500.1.4	kWh
Power Cost Adjustment:	Per Section 500.1.5	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.2.3 INDUSTRIAL POWER SERVICE

APPLICABILITY

This schedule is applicable to Members whose firm demand is ten-thousand (10,000) kW or more, and whose uses are not covered by another specific rate schedule.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 1,000.00	meter
Capacity Demand Charge:	\$ 0.840000	kW
Base Power Charge:	See Below	kWh
Transmission Cost of Service Charge:	See Below	kW

Base Power Charge: The cost of power to serve the Member, including capacity, ancillary services, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. These costs will be a direct pass through from the wholesale provider provided that the Member's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 52 of 88

Transmission Cost of Service Charge: The transmission cost to serve the Member will be the actual cost as determined by the Member's 4 Coincident Peaks (4CP) as defined by ERCOT and the applicable Transmission Cost of Service Charge established by the Commission. Metering charges associated with Industrial Power Service will be included.

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.2.4 POWER PLANT START SERVICE

APPLICABILITY

This schedule is applicable to all commercially operated power plants whose firm demand is one-thousand (1,000) kW or more, and whose uses are not covered by another specific rate schedule.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 1,500.00	meter
Base Power Charge:	See Below	kWh
Transmission Cost of Service Charge:	See Below	kW

Base Power Charge: The cost of power to serve the Member, including capacity, ancillary services, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. These costs will be a direct pass through from the wholesale provider provided that the Member's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative.

Transmission Cost of Service Charge: The transmission cost to serve the Member will be the actual cost as determined by the Member's 4 Coincident Peaks (4CP) as defined by ERCOT and the applicable Transmission Cost of Service Charge established by the Commission. Metering charges associated with Power Plant Start Power Service will be included.

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.2.5 TRANSMISSION LEVEL SERVICE

APPLICABILITY

This schedule is applicable to Members receiving power at transmission level voltage (60 KV or above).

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	\$ 1,000.00	meter
Base Power Charge:	See Below	kWh
Transmission Cost of Service Charge:	See Below	kW

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 53 of 88

Base Power Charge: The cost of power to serve the Member, including capacity, ancillary services, delivery, energy, and fuel charges for the billing period plus adjustments applied to the current monthly billing to account for differences in actual purchased electricity costs billed in previous periods. These costs will be a direct pass through from the wholesale provider provided that the Member's billing units for power cost may be adjusted for line losses, as determined by the Cooperative, to calculate the Member's power cost at the wholesale supplier's metering point to the Cooperative.

Transmission Cost of Service Charge: The transmission cost to serve the Member will be the actual cost as determined by the Member's 4 Coincident Peaks (4CP) as defined by ERCOT and the applicable Transmission Cost of Service Charge established by the Commission. Metering charges associated with Transmission Level service will be included.

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.2.2.6 ELECTRIC VEHICLE PUBLIC CHARGE STATION RATE

APPLICABILITY

The rate is applicable to a Member or non-Member receiving electric service through a public electric vehicle charging station connected to the Cooperative's Delivery System and owned and/or operated by the Cooperative.

MONTHLY RATE

The following charges will apply:

Service Availability Charge – The charge will be ten percent (10%) of the total cost per kWh calculated on the sum of the Delivery, TCOS, and Base Power Charges as described in this section.

Charges:	Amount:	Unit:
Delivery Charge:	Per Section 500.1.2	kWh
Base Power Charge:	Per Section 500.1.4.2	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The total cost per kWh will be the sum of the above charges. Charges may be subject to rounding as required by the billing software provider.

500.3 RATE PROGRAMS

500.3.1 INTERCONNECT NET METERING RATE

APPLICABILITY

This program is applicable to Members with Distributed Generation that is less than or equal to fifty (50) kW AC. The Member must have an effective agreement for interconnection with the Cooperative according to Section 600, Interconnection Policy. This rate program may be applicable to Residential Service and Non-Residential Service Members pursuant to the Member's rate schedule.

NET METERING SERVICE

Service will be through a single meter, with two registers measuring Delivered Energy and Received Energy.

MONTHLY RATE

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 54 of 88

The following charges may apply:

Charges:	Amount:	Unit:
Service Availability Charge:	Per the applicable rate schedule	meter
Delivery Charge:	Per the applicable rate schedule	kWh
Capacity Demand Charge:	Per the applicable rate schedule	kW
Base Power Charge:	Flat Base Power, per Section 500.1.4	kWh
Net Energy Credit:	Per Section 500.1.9	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.3.2 INTERCONNECT WHOLESALE ENERGY RATE

APPLICABILITY

This schedule may be applicable to Members with Distributed Generation (DG) that is greater than fifty (50) kW AC and equal to or less than four-hundred (400) kW AC. The Member must have an effective agreement for interconnection with the Cooperative and comply with the applicable provisions of Section 600, Interconnection Policy.

METERING SERVICE

The Cooperative will install two meters, owned, and operated by the Cooperative. The first meter will record total DG production. The second meter will record total Delivered Energy and Received Energy. The Cooperative will have access to all of Member's meter data for billing purposes.

MONTHLY RATE

The following charges will apply:

Charges:	Amount:	Unit:
Service Availability Charge:	Small Power Service \$ 47.50 Large Power Service \$ 175.00	meter
Delivery Charge:	Per the applicable rate schedule	kWh
Capacity Demand Charge:	Per the applicable rate schedule	kW
Base Power Charge:	Flat Base Power, per Section 500.1.4	kWh
Wholesale Energy Credit:	Per Section 500.1.10	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

CONDITIONS

System Wide Capacity Limit – Availability of this rate option will be limited and capped to no more than four (4) MW AC of system wide total DG nameplate capacity as determined by submission to the Cooperative of an application and fulfillment of all requirements in Section 600.

500.3.3 COOPERATIVE OWNED AREA LIGHTING RATE

APPLICABILITY

This program may be applicable to Cooperative owned outdoor lighting assets where the existing facilities, owned by either the Cooperative or the Member, are suitable for the installation of lighting. Cooperative owned outdoor lighting assets include lamps and lighting fixtures.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 55 of 88

MAINTENANCE OR REPAIRS OF COOPERATIVE OWNED AREA LIGHTING

The Cooperative will own, install and maintain Cooperative Owned Area Lighting. Upon failure of any Cooperative Owned Area Lighting, such Lighting will be replaced by the Cooperative with LED lighting, and applicable charges may apply.

The Member will pay for costs of repairs including labor and materials for damage to Cooperative Owned Area Lighting resulting from an act of vandalism as determined by the Cooperative. The Member will be responsible for any costs of repairs including labor and materials for damage to existing facilities owned by the Member.

MEMBER REQUESTS

Relocate – The Member will pay for all costs, including labor and materials for the relocation of any Cooperative Owned Area Lighting and necessary facilities, subject to Section 400, Line Extension Policy.

Change Out – Any Member requesting to change out functional Cooperative Owned Area Lighting to LED lighting will pay the net book value of the existing Cooperative Owned Area Lighting including labor costs of change out as determined by the Cooperative. Following the change out, the Cooperative will adjust the Member's account(s) to reflect the appropriate rate.

Removal – Only applies to Cooperative Owned Area Lighting installed on Member-owned facilities. Any Member requesting the removal of Cooperative Owned Area Lighting must provide notice in writing to the Cooperative. The Member will be responsible for paying the net book value of the existing Cooperative Owned Area Lighting including labor costs of removal as determined by the Cooperative and any costs for disposal of the Cooperative Owned Area Lighting. Upon removal, the Member will be responsible for any costs associated with furnishing of new lamps or lighting fixtures including labor and installation and maintenance and repair. Following the removal, the Cooperative will adjust the Member's account(s) to reflect the appropriate rate.

Purchase – Only applies to Cooperative Owned Area Lighting installed on Member-owned facilities. Any Member requesting the purchase of Cooperative Owned Area Lighting must provide notice in writing to the Cooperative. The Member will be responsible for paying the net book value of the existing Cooperative Owned Area Lighting. Upon purchase, the Member will own the lamps or lighting fixtures, and be responsible for any maintenance and repair costs. Following the purchase, the Cooperative will adjust the Member's account(s) to reflect the appropriate rate.

MONTHLY RATE

The following charges will apply:

Lamp Size and Type:		Delivery Charge per Lamp:
LED	50-55 watt (comparable to 100 watt HPS)	\$ 9.60
LED	100-110 watt (comparable to 250 watt HPS)	\$ 20.00
HPS*	100 watt	\$ 8.15
HPS*	250 watt	\$16.30
MH*	175 watt	\$ 8.15
MV*	175 watt	\$ 8.15

LED – Light Emitting Diode; HPS – High Pressure Sodium; MH – Metal Halide; MV – Mercury Vapor

*These lamps are no longer available for new installations.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 56 of 88

Charges:	Amount:	Unit:
Delivery Charges:	As Shown Above	Per Lamp
Base Power Charge:	Per Section 500.1.4	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

The charge per lamp above is the estimated monthly kWh multiplied by the calculated sum of the Delivery Charge, TCOS, and the Base Power Charge as described in this section.

500.3.4 COOPERATIVE SOLAR RATE

APPLICABILITY

This program is applicable to all rate classes except Water Well, Power Plant Start Service, Industrial Power Service, Transmission Level Service, and Cooperative Owned Area Lighting Rates. Additionally, this Rate is not applicable to accounts enrolled in Time-of-Use Base Power Charge or the Interconnection Net Metering or Wholesale Energy Rates.

CONDITIONS

1. The Cooperative Solar Rate is available to any eligible Member provided that Member completes an enrollment application for the Cooperative Solar Rate.
2. The allocation of available Cooperative Solar Energy Units (as defined below) will be assigned to applicants on a first-come, first-served basis as determined by the date and time of application submission.
3. Each Member's assigned Cooperative Solar Energy Units will be no greater than the Member's average monthly energy usage during the previous twelve (12) month period, divided by one-hundred (100), and rounded up to the next whole number. If Member does not have a twelve (12) month energy usage history, then an estimated monthly average energy usage will be determined based on the information provided in the Member's application.
4. Member acknowledges that the Solar Energy (as defined below) is not a fixed amount and may vary monthly depending on total Cooperative Solar generation. Member acknowledges Cooperative Solar generation is intermittent in nature and the amount of energy produced varies from moment to moment depending on many factors including the time of the year, the time of the day, and the weather. As a result, the Cooperative cannot guarantee the actual amount of Solar Energy.
5. Member agrees to a recurring twenty-four (24) month enrollment commitment with an automatic renewal every twenty-four (24) months until Member submits a request to terminate enrollment no later than thirty (30) calendar days prior to the end of the commitment period. Any modifications to enrollment status will be effective at the beginning of the Member's next billing cycle.
6. The Cooperative may charge a Cooperative Solar Rate Application Fee for each enrollment application that is processed to successfully initiate Member's enrollment or any changes, modifications or terminations in enrollment status in the Cooperative Solar Rate prior to the expiration of the twenty-four (24) month commitment period, excluding disconnection of service or moves within the Cooperative's system.
7. Cooperative will monitor and administer the Cooperative Solar Rate and from time to time will inspect the effectiveness of the Cooperative Solar Rate.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 57 of 88

8. Cooperative may elect to reduce a Member's assigned Cooperative Solar Energy Units, with notice to Member, if Member's Solar Energy is over one-hundred and ten percent (110%) of the Member's monthly average energy usage during a rolling twelve (12) month period.

BILLING DETERMINANTS

Cooperative Solar Energy Units – A Cooperative Solar Energy Unit represents a portion of the Cooperative solar generation, assigned to the Member.

Unit Energy Allocation – The Unit Energy Allocation (kWh) is the energy for each Cooperative Solar Energy Unit assigned to the Member on a monthly basis. The Unit Energy Allocation will be based on the monthly total Cooperative solar generation divided by the number of Cooperative Solar Energy Units assigned to Members enrolled on the Cooperative Solar Rate. The Unit Energy Allocation will be equivalent to no more than one-hundred (100) kWh.

Solar Energy – The Solar Energy (kWh) is the monthly energy that corresponds to each Member from Cooperative solar generation. The Solar Energy will be determined by multiplying the Member's Cooperative Solar Energy Units by the monthly Unit Energy Allocation.

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

MONTHLY RATE

The following charges may apply:

Charges:	Amount:	Unit:
Service Availability Charge:	Per the applicable rate schedule	meter
Delivery Charge:	Per the applicable rate schedule	kWh
Capacity Demand Charge:	Per the applicable rate schedule	kW
Base Power Charge:	Flat Base Power, per Section 500.1.4. Only applicable to Net Energy	kWh
Cooperative Solar Base Power Charge	\$ 0.061080	kWh
Transmission Cost of Service Charge:	Per Section 500.1.6	kWh

Transmission Cost of Service Charge –The TCOS charge will apply to Delivered Energy for Members as per the applicable tariff in Section 500.1.6, Transmission Cost of Service (TCOS) Charge.

Solar Transmission Cost Adjustment – The STCA credit will apply to Solar Energy received by Members as per the applicable tariff in Section 500.1.7, Cooperative Solar Transmission Cost Adjustment.

Cooperative Solar Base Power Charge – The Cooperative Solar Base Power Charge will recover the actual cost of power purchased for Cooperative solar generation and other costs incurred in connection with solar generation. The Cooperative Solar Base Power Charge will apply to Solar Energy. The Cooperative Solar Base Power Charge is \$0.061080 per kWh.

Renewable Energy Rider Charge – The Renewable Energy Rider Charge will apply to Delivered Energy, as per the applicable tariff in Section 500.1.8, Renewable Energy Rider Charge.

Revenue Adjustment Factor – The RAF will apply to Delivered Energy, as per the applicable tariff in Section 500.1.12, Revenue Adjustment Factor (RAF).

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 58 of 88

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, or adjustments.

500.3.5 FACILITIES RENTAL RIDER

APPLICABILITY

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

RENTAL RATE

This monthly rate for facilities owned, operated, and maintained by the Cooperative will be derived by multiplying the total calculated installed cost of the facilities to be rented times 1.3 percent. The Member is responsible for this charge on the earlier of the effective date of initiating service or the date of facility installation completion.

500.3.6 COLLEGE DISCOUNT

APPLICABILITY

This discount will be applicable in conjunction with the Member's rate schedule to any facility of any four (4) year state university, any state upper level educational institution, or non-profit upper level educational institution, or Texas State Technical College, or any state college or non-profit college that the Cooperative serves. The provisions of the applicable rate schedule are modified only as shown herein.

MONTHLY RATE

The amount due to the Cooperative will be reduced by twenty percent (20%), except for the Base Power Cost Charge and the TCOS Charge and the Power Cost Adjustment applicable to the Member, and excluding any adjustment factors, cost recovery factors, specific facilities charges, and service fees, as per the Member's rate schedule.

500.3.7 MILITARY BASE DISCOUNT

APPLICABILITY

The discount will be applicable in conjunction with the Member's rate schedule to any military base that the Cooperative serves, as required by the Texas Utilities Code. Sec. 36.354. The provisions of the applicable rate schedule are modified only as shown herein.

MONTHLY RATE

The amount due to the Cooperative will be reduced by twenty percent (20%), except for the Base Power Charge, the TCOS Charge and the Power Cost Adjustment applicable to the Member and excluding any adjustment factors, cost recovery factors, specific facilities charges, and service fees, as per the Member's rate schedule.

500.3.8 ECONOMIC DEVELOPMENT DISCOUNT

PURPOSE

To encourage economic development, provide economic stimulus, and increase the competitiveness of communities in their economic development pursuits within the Lower Colorado River Authority (LCRA) service territory, the Cooperative will pass through an Economic Development Discount (EDD) available through the LCRA to qualifying Members.

APPLICABILITY

Subject to the conditions listed and confirmation of availability from LCRA, this discount is applicable to Large Power Service, Transmission Level Service, and Industrial Power Service Members with minimum LCRA supplied energy usage of two-million and two-hundred-thousand (2,200,000) kWh to a single site in the LCRA service territory.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 59 of 88

CONDITIONS

To be eligible to receive an EDD, a Large Power Service, Transmission Level Service, or Industrial Level Service Member must meet the following requirements:

1. Member must have added a new location for electric service within LCRA's service territory or expanded an existing location for electric service with addition of a new metering point within the LCRA's service territory;
2. Service location must have appropriate metering equipment to record actual energy consumption;
3. Member must have received economic development assistance, including but not limited to, tax incentives or grants, from cities, counties or other regional entities (Member must provide executed agreements that address various economic impact metrics such as job creation and investment requirements); and
4. Member must enter into a five (5) year agreement with the Cooperative in a form approved by the Cooperative, which may include, among other provisions, terms regarding minimum load requirements, purchase power requirements, metering data submission, economic impact reporting, and repayment provisions for failure to meet conditions of discount.

RATE

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

AVAILABILITY

The discount will be available to applicable Members for no more than three (3) years.

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 60 of 88

500.4 FEE SCHEDULE

FEE	AMOUNT	SECTION
Open Records Fee – Staff research time	\$ 40.00 per hour	300.4
Open Records Fee – Copies	\$ 0.25 cents per page for any pages in excess of 10 pages	300.4
Open Records Fee – Other materials and services not included in research time and copies.	Actual cost	300.4
Subpoena Response Service Fee	\$ 40.00 / hour	300.4.1
Easement Release	\$ 300.00	300.4.2
Membership Fee	\$ 50.00	300.8.1
Establishment Fee	\$ 75.00	300.8.2
Same Day Service Fee	\$ 250.00	300.9.3
Reconnection Fee (for non-payment)	\$ 100.00	300.9.9
Collection Fee	\$ 75.00	300.11.9
Late Payment Processing Fee	\$ 20.00 for residential accounts	300.11.4
	\$ 20.00 or 6 percent of the unpaid balance, whichever is greater for non-residential accounts, except state agencies	
Loan Late Fee	The greater of \$ 7.50 or 7 percent	300.11.5
Return Check/Denied Bank Draft	\$ 30.00	300.11.6
Meter Test Fee	\$ 55.00	300.13.3
Advanced Metering Opt Out Program – Meter Exchange	\$ 75.00	300.13.6
Advanced Metering Opt Out Program – Monthly Meter Readings	\$ 30.00, additional \$1 / mile charge for service locations further than 20 miles from nearest area office	300.13.6
Advanced Metering Opt Out Program – Quarterly Meter Readings	\$ 45.00, additional \$1 / mile charge for service locations further than 20 miles from nearest area office	300.13.6
Meter Tampering	\$ 500.00	300.13.7
System Impact Fee	\$ 200.00	400.14
Franchise Fee	Varies depending on the municipality	500.1.11
Application Fee for DG Service greater than 50 kW	\$ 25.00	500.3.2
Cooperative Solar Rate Application Fee	\$ 15.00	500.3.4

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

Section 600: Interconnection Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 61 of 88

600 INTERCONNECTION POLICY

600.1 GENERAL

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

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

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

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

This Policy supersedes any other tariff or policy on this subject matter.

600.2 PARTIES TO THE INTERCONNECTION AGREEMENTS

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

600.3 LOCATION LIMITATIONS WITH REGARD TO METERS AND FACILITIES

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

600.4 COST-BENEFIT AND TAX RESPONSIBILITY

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

600.5 COMPLIANCE WITH ALL LAWS, REGULATIONS AND STANDARDS

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

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

Section 600: Interconnection Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 62 of 88

600.6 MEMBER INITIAL REQUIREMENTS

APPLY FOR DG SERVICE

In order to interconnect a DG facility to the Cooperative system, a Member must first submit to the Cooperative an application for interconnection.

APPLICATION FEES

At the time of application for DG service, the Member will pay a non-refundable application fee if the net capacity of the proposed distributed generation system is greater than fifty (50) kW.

600.7 COOPERATIVE REVIEW OF PROPOSED DG FACILITY

ENGINEERING STUDIES AND STUDY FEES

The Cooperative may conduct an engineering study, service study, coordination study and/or utility system impact study prior to interconnection of a DG facility. The scope of any such studies will be based on the characteristics of the particular DG facility to be interconnected and the Cooperative's system at the specific proposed location. Studies may be conducted by a qualified third party. An estimate of the study cost and an estimate of the time required to complete the study will be provided to the Member in advance.

The Member will pay the cost of the study and/or fees that are provided in the estimate.

For customers with facilities greater than fifty (50) kW, the Cooperative's power supplier and other entities may require additional information and may require additional engineering analysis and/or additional fees where applicable.

CONFIDENTIALITY

Information obtained about the Member will be subject to the Privacy and Confidentiality Policy or related policies of the Cooperative.

LIABILITY

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

NON-DISCRIMINATION

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

System upgrades and modifications to Cooperative facility

1. If interconnection of a particular DG facility will require material capital upgrades to the Cooperative system as determined by the engineering analysis, the Cooperative will provide the Member with an estimate of the schedule and Member's cost for the upgrade. If the Member desires to proceed with the upgrade, the Member and the Cooperative will enter into a contract for the completion of the upgrade. The Cooperative will employ reasonable efforts to complete such system upgrades in the shortest time reasonably practical.
2. If the Cooperative concludes that, an application for interconnection describes facilities that may require additional devices and operating schemes beyond those described in this Policy, the Cooperative will make those additional requirements known to the Member at the time the interconnection studies are completed.

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

Section 600: Interconnection Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 63 of 88

3. As a part of the interconnection analysis performed by the Cooperative, the Member will be provided with an estimate of any line extension or other cost to be incurred in providing delivery of electric power and energy to the Member's DG facility.
4. The Member will pay the cost of construction of any transmission, substation, distribution, transformation, metering, protective, or other facilities or equipment required to serve the Member's DG facility.

FUTURE RELIABILITY

A Member must reimburse the Cooperative and/or its power supplier for all costs of modifications required for the continued interconnection of the Member's DG facilities in the event it is necessary. Modifications can occur at the time of initial interconnection or at a future time the Cooperative and/or its power supplier's electric delivery systems or the quality of power provided by the Member's DG adversely affects the Cooperative and/or its power supplier's delivery system.

600.8 SALES TO AND PURCHASE FROM A DG FACILITY

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

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

600.9 ADDITIONAL REQUIREMENTS

LIABILITY INSURANCE

The Cooperative does not require additional liability insurance for the interconnection. Members are encouraged to review the liability requirements of the Interconnection Agreement and to provide adequate insurance.

CONTRACT

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

600.10 OPERATION OF PARALLEL FACILITY

GENERAL SAFETY AND RELIABILITY

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

The Cooperative reserves the right to require additional safety, reliability and/or operational equipment and/or measures beyond that required by the adopted substantive rule where its engineering study determines that such equipment and/or operational measures are required. In such cases, the Member will be responsible for the cost of such equipment and/or operational measures.

ACCESS

The Cooperative has the right to enter the property on which the DG facility is installed for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other Cooperative equipment. Such entry onto the Member's property may be without notice.

If the Member erects or maintains locked gates or other barriers, the Member will furnish the Cooperative with convenient means to circumvent the barrier for full access for the above-mentioned reasons.

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

Section 600: Interconnection Policy

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 64 of 88

METERING AND MONITORING

The Cooperative may supply, own and maintain all necessary meters and associated equipment to record energy purchases by the Member and energy sales to the Cooperative.

The Member will supply at no cost to the Cooperative a suitable location on the Member's premises for the installation of the Cooperative's meters and other equipment.

The meter will be read at a time or times of month determined by the Cooperative's for acquiring metering data.

Metering requirements may be subject to change according to the Commission and ERCOT rules and regulation. Should ERCOT or the Commission adopt rules requiring specialized metering, the Member may be required to pay the cost of any required changes.

Metering requirements for interconnected DG systems may vary by size according to the following table:

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

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

Section 700: Appendix – Membership Application and Certificate

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 65 of 88

700 APPENDICES

700.1 MEMBERSHIP APPLICATION AND CERTIFICATE

Membership Application and Certificate Pedernales Electric Cooperative, Inc.

P.O. Box 1 • Johnson City, Texas 78636 • 1-888-554-4732

I apply for membership in Pedernales Electric Cooperative, Inc. to be connected to and receive service from the Cooperative's electric distribution system. I agree to pay for Cooperative services and to abide by the Cooperative's Bylaws, Tariff, policies, and procedures. I authorize agents of the Cooperative to enter and will allow easy access to my property to repair and maintain lines or equipment or for any other purpose necessary to provide services and conduct business.

Date: _____ Account Number: _____

Name: _____

Address: _____

(City) (State) (Zip)

Telephone Number: _____
(Phone 1) (Phone 2)

Location Description: _____

Pedernales Electric Cooperative requires one refundable membership fee per member. The membership fee will be applied as a credit to the bill when all accounts are closed.

This certifies the above applicant is a member of Pedernales Electric Cooperative, Inc.

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

Section 700: Appendix – Residential Letter of Guaranty

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 66 of 88

700.2 RESIDENTIAL LETTER OF GUARANTY

PEC COPY

Return this copy to:
P.O. Box 1
Johnson City, TX
78636

**RESIDENTIAL LETTER OF
GUARANTY**

(Waiver of Deposit Agreement)

IN ORDER THAT PEDERNALES ELECTRIC COOPERATIVE, INC., REFERENCED THROUGHOUT THIS DOCUMENT AS "PEC", WAIVE A CASH DEPOSIT FOR SECURING PAYMENT OF ELECTRIC BILL FOR:

(Applicant Name) _____.

I, (Guarantor Name) _____

AGREE TO PAY AN AMOUNT NOT TO EXCEED \$150.00.

I UNDERSTAND BY SIGNING THIS AGREEMENT THAT:

1. A credit risk assessment on the Guarantor may be conducted by the Cooperative or on its behalf.
2. The amount of liability for Guarantor toward payment of Member's unpaid final bill will not exceed \$150.00.
3. This Agreement transfers with the Member/Guarantor, should either party change their service address and continue to receive electric service from PEC.
4. This guaranty will terminate automatically when the member has paid his or her bills for twelve consecutive months without service being disconnected for nonpayment, without having more than one late payment, and without having more than one returned item.
5. **If Member fails to pay the final bill within sixteen (16) days after the final due date, the Guarantor's electric account may be charged an amount not to exceed that stated above. If this amount is not paid or arrangements not made for payment, Guarantor's own electric service may be disconnected.**

Member Name: _____ Guarantor: _____

Member Signature: _____ Guarantor Signature: _____

Address: _____ Address: _____

City, State: _____ City, State: _____

ZIP Code: _____ ZIP Code: _____

Phone #: _____ Phone #: _____

Date: _____ Date: _____

Account #: _____ Account #: _____

Amount: _____

Appearing the Guarantor, _____, subscribed and sworn before me this _____

day of _____, 20____.

(NOTARY SEAL)

Notary Public Signature: _____

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

Section 700: Appendix – Residential Letter of Guaranty

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 67 of 88

GUARANTOR COPY

**RESIDENTIAL LETTER OF
GUARANTY**

(Waiver of Deposit Agreement)

IN ORDER THAT PEDERNALES ELECTRIC COOPERATIVE, INC., REFERENCED THROUGHOUT THIS DOCUMENT AS "PEC", WAIVE A CASH DEPOSIT FOR SECURING PAYMENT OF ELECTRIC BILL FOR:

(Applicant Name)_____.

I, (Guarantor Name) _____

AGREE TO PAY AN AMOUNT NOT TO EXCEED \$150.00.

I UNDERSTAND BY SIGNING THIS AGREEMENT THAT:

1. A credit risk assessment on the Guarantor may be conducted by the Cooperative or on its behalf.
2. The amount of liability for Guarantor toward payment of Member's unpaid final bill will not exceed \$150.00.
3. This Agreement transfers with the Member/Guarantor, should either party change their service address and continue to receive electric service from PEC.
4. This guaranty will terminate automatically when the member has paid his or her bills for twelve consecutive months without service being disconnected for nonpayment, without having more than one late payment, and without having more than one returned item.
5. **If Member fails to pay the final bill within sixteen (16) days after the final due date, the Guarantor's electric account may be charged an amount not to exceed that stated above. If this amount is not paid or arrangements not made for payment, Guarantor's own electric service may be disconnected.**

Member Name:_____ Guarantor:_____

Member Signature:_____ Guarantor Signature:_____

Address:_____ Address:_____

City, State:_____ City, State: _____

ZIP Code:_____ ZIP Code: _____

Phone #:_____ Phone #: _____

Date:_____ Date:_____

Account #:_____ Account #: _____

Amount: _____

Appearing the Guarantor, _____, subscribed and sworn before me this _____

day of _____, 20__.

(NOTARY SEAL)

Notary Public Signature: _____

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

Section 700: Appendix – Prepaid Payment Option Member Agreement

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 68 of 88

700.3 PREPAID PAYMENT OPTION MEMBER AGREEMENT

Pedernales Electric Cooperative, Inc.

Pre-paid Payment Option Member Agreement

Pedernales Electric Cooperative, Inc., is pleased to offer the Pre-paid Payment Option to eligible members. This payment option allows you to manage your electric usage and payments towards your electric bill. With this payment option, each day, PEC will bill you for your previous day's usage and deduct the bill amount from the credit on your account. Daily balances are available for review at pec.coop/PayNow, SmartHub, or by phone. PEC will send you notices by phone, text, or email reflecting your balance. If you have an existing deposit on your account, PEC will retain \$50 of that deposit and apply the remaining amount to your pre-paid account balance.

Eligible members must:

- have a \$25 pre-paid credit balance to set up the account
- keep a credit balance on the account at all times

Other program information:

- Pre-paid accounts are not eligible for the following services and rates:
 - Deferred Payment Arrangement, Budget Billing, Automatic Payment Plan.
 - Time of Use, Interconnections or Cooperative Solar rates
 - Medical Necessity Registry, Advanced Meter Opt Out Program or with 3-phase service
- No deposit based on credit worthiness is required for Pre-paid Payment Option accounts
- Make payments via the SmartHub app, online, by phone, at kiosks, by mail or in person.
- Existing balances must be cleared or a payment arrangement must be scheduled prior to enrollment.

50% of every payment will be applied to the outstanding balance. The remaining 50% will be applied to the pre-paid account balance until the outstanding balance is paid in full.
- Members are responsible for setting up personalized notifications via SmartHub.
- If service is disconnected for lack of pre-paid funds, the unpaid balance will be due along with a \$25 credit balance to reinstate electric service.

1. I request that my account be added to the Pre-paid Payment Option. I agree to abide by the Tariff and Business Rules (Section 300.11.3.1) governing the Pre-paid Payment Option.
2. I consent to electronic notifications by electronic mail, text or by phone regarding the Pre-paid Payment Option including, notifications regarding balances. PEC will send notice either by email or text when the balance is at \$10 or less. You may elect to receive additional alerts through your SmartHub account. I understand that it is my responsibility to immediately notify PEC of any changes to my contact information.
3. The continuation of electric service depends on your prepaying for service on a timely basis and once the fund balance on the electric account is depleted to \$0, a notification will be sent, and service is subject to disconnection. The daily base rate will continue to accumulate even if no energy consumption occurs.
4. Member assumes all liability for and holds harmless Pedernales Electric Cooperative, Inc., its directors, officers, employees, and agents for any and all damages of every kind resulting from my participation in the Pre-paid Payment Option including, without limitation, automatic disconnection or reconnection of service.
5. I understand that at any time I may elect to discontinue the Pre-paid Payment Option and resume standard billing. At that time, PEC will require full payment of any outstanding balance and may require a deposit.
6. Member acknowledges and agrees to the terms and conditions described herein.

Name on
account: _____

Date: _____ Account: _____

Phone: _____ Email: _____

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

Section 700: Appendix – Medical Necessity Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 69 of 88

700.4 MEDICAL NECESSITY PROGRAM APPLICATION

**Pedernales Electric Cooperative, Inc.
*Instructions for Medical Necessity Program Application***

IMPORTANT INFORMATION

- This application must be completed to obtain Chronic or Critical Care designation with Pedernales Electric Cooperative, Inc. (PEC).
- This application will not be processed if incomplete, unreadable, or improperly submitted. All information is required, unless otherwise indicated.
- Submission of this application does not automatically result in Chronic or Critical Care designation.
- Members will be notified upon approval and when the designation is due for renewal.
- Pursuant to the Tariff and Business Rules of PEC, designation as a Chronic or Critical Care residential member does not relieve a member of the obligation to pay for electric service, and service may be disconnected for failure to pay.
- Chronic or Critical Care designation does not guarantee continuous electric power. If electricity is a necessity to sustain life, you must make other arrangements for on-site back-up capabilities or other alternatives in the event of power loss.
- It is important that we have the most current phone number and mailing address on record. Members who have registered their PEC account(s) online may also receive notifications via the registration email address.
- More information may be found on this Program in the “Medical Necessity Program” section of the PEC Tariff and Business Rules.

INSTRUCTIONS:

- **Member:** Complete Part 1 of this application and provide to patient's physician for completion.
- **Physician:** Complete Part 2 of application.
- **Member:** Return signed application to any PEC office or via email, fax, or mail.

Office Locations:

Visit pec.coop/locations

Email:

medical@peci.com

Fax:

830-868-5097

Attn: Medical Necessity Program

Mail:

Pedernales Electric Cooperative
Attn: Medical Necessity Program
PO Box 1
Johnson City, Texas 78636

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

Section 700: Appendix – Medical Necessity Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 70 of 88

PART 1: TO BE COMPLETED BY THE MEMBER - ALL INFORMATION IS REQUIRED

Member Name: (Name on electric account) _____

Patient Name: (Name of Patient living permanently at the Service Location who requires chronic condition or critical care designation pursuant to PEC's Tariff and Business Rules. The Patient may be the same person as the Member.) _____

Account Number: (Shown on your electric bill) _____ **Generator?** _____

Service Location: (Shown on your electric bill) _____

City: _____ **State:** _____ **ZIP:** _____

Mailing Address: (If different than Service Location) _____

City: _____ **State:** _____ **ZIP:** _____

Member Primary Phone: _____ **Member Alternate Phone:** (if any) _____

Emergency (Secondary) Contact Information (Your application will be rejected unless you include an Emergency Contact name or insert "I choose not to provide an Emergency Contact name". Failure to include an Emergency Contact may result in disconnection of your electric service without notice if PEC is unable to contact you and your

Name of Emergency Contact: _____

Mailing Address: _____

City: _____ **State:** _____ **ZIP:** _____

Phone: _____ **Alternate Phone:** (if any) _____

Member - I have read and understood PEC's information on the Medical Necessity Program and certify that the information provided on this application is correct. I understand the information may also be used to determine whether I am eligible for additional notices relating to my electric service. I agree to be contacted by telephone at the phone numbers listed above with respect to the Medical Necessity Program. Pedernales Electric Cooperative is not liable for delayed or undelivered notifications.

Patient / Patient's Guardian, Parent, or Managing Conservator - I have read and understood the information on the Medical Necessity Program and certify that the information provided in this application about me (or the patient) is correct. I agree to the release of the information on this form concerning my (or the patient's) medical condition for the purposes stated on this application.

PART 2: TO BE COMPLETED BY THE PATIENT'S PHYSICIAN - ALL INFORMATION IS REQUIRED

Chronic Condition	YES	NO
The patient has a serious medical condition that requires an electric-powered medical device or electric heating or cooling to prevent impairment of a major life function through a significant deterioration or	☐	☐
If yes to the above, has the medical condition been diagnosed as a life-long condition?	☐	☐

OR

Critical Care Condition	YES	NO
The patient is dependent upon an electric-powered medical device <u>to sustain life.</u>	☐	☐
If yes to the above, has the medical condition been diagnosed as a life-long condition?	☐	☐

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

Section 700: Appendix – Medical Necessity Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 71 of 88

Physician Name: <i>(Please print)</i>	
Texas Medical Board License Number:	
Phone:	
Physician Signature:	Date:

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

Section 700: Appendix – Critical Load Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 72 of 88

700.5 CRITICAL LOAD PROGRAM APPLICATION

**Pedernales Electric Cooperative, Inc.
*Application for Critical Load Status***

IMPORTANT INFORMATION

- This Application must be completed in order to obtain the designation of Critical Load status with PEC.
- Critical Load status includes designations for Public Safety, Industrial and Natural Gas Infrastructure members as further described in Part 2.
- **This Application will not be processed and approved if incomplete, unreadable, or improperly submitted.** All information is required, unless otherwise indicated.
- **Submission of this application does not automatically result in Critical Load status.** Notification of the status granted will be provided to the customer at the mailing and email address provided.
- Designation of Critical Load status does not relieve a member of the obligation to pay for electric service, and service may be disconnected for failure to pay.
- **Critical Load status does not guarantee an uninterrupted, regular, or continuous power supply. If electricity is a necessity, you must make other arrangements for on-site back-up capabilities or other alternatives in the event of loss of electric service.**

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

Section 700: Appendix – Critical Load Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 73 of 88

INSTRUCTIONS:

- **Member:** Complete PAGE 2 and PAGE 3 of this application
 - **Email, fax or mail the completed form to PEC at:**

Email Address:	Email Subject Line:
CriticalLoadRequests@peci.com	ATTN: PEC Critical Load

Fax Number:	Fax Subject Line:
830-868-5013	ATTN: PEC Critical Load

Mailing Address:
ATTN: PEC Critical Load Pedernales Electric Cooperative, Inc. P.O. Box 1 Johnson City, Texas 78636-0001

For questions about this Application, call the member services number during normal business hours at the phone number below or send an email to the email address below:

Phone:
888-554-4732

Email Address:	Email Subject Line:
CriticalLoadRequests@peci.com	ATTN: PEC Critical Load

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

Section 700: Appendix – Critical Load Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 74 of 88

PAGE 3 – To Be Completed by the Member

PART 1: ALL INFORMATION IS REQUIRED		
Member Name: <i>(Name on electric account)</i>		
Member Account Number:		
Service Address <i>(found on your electric bill)</i>		
City:	State:	ZIP:
Mailing Address <i>(if different than Service Address)</i>		
City:	State:	ZIP:
Member Primary Phone:	Member Alternate Phone: (if any)	
Member Primary Email Address:	Member Alternate Email Address: (if any)	

Member:

The undersigned, on behalf of the member, has read and understood the information and certifies that the information provided on this Application is correct and understands the information will be used to determine whether the member is eligible for designation of Critical Load status.

Signature: _____ **Date:** _____

Printed Name: _____

Title: _____

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

Section 700: Appendix – Critical Load Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 75 of 88

PAGE 4 – To Be Completed by the Member

PART 2: ALL INFORMATION IS REQUIRED

Critical Load Designation Category: *(Please select the most applicable category and subcategory (if applicable))*

☐ **Public Safety –**

A member for whom electric service is considered crucial for the protection or maintenance of public safety, including but not limited to hospitals, police stations, fire stations, and critical water and wastewater facilities.

- ☐ Hospital – Trauma Center*
- ☐ Hospital – with surgery or emergency treatment*
- ☐ Licensed Day Surgery*
- ☐ Licensed Emergency Care*
- ☐ Licensed Dialysis Clinic*
- ☐ Licensed Birthing Clinic*
- ☐ Licensed Skilled Nursing Facility*
- ☐ Licensed Unskilled Nursing Facility*
- ☐ Licensed Assisted Living Facility*
- ☐ Hospice Services Facility*

**Texas Department of State Health Services license number
(*required):**

- ☐ Major or Regional Airport
- ☐ Emergency Alert System Primary or Secondary Transmitter
- ☐ 911 Center
- ☐ Police
- ☐ Fire
- ☐ Water/Sewage deemed critical – note that some community water and waste facilities may qualify, however, not all individual wells, sewer lift stations etc. qualify as critical
- ☐ Flood Control
- ☐ Other (explain below)

☐ **Industrial –**

An industrial member for whom an interruption or suspension of electric service will create a dangerous or life-threatening condition on the member's premises.

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

Section 700: Appendix – Critical Load Program Application

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 76 of 88

☐

Natural Gas Infrastructure –

A member that supports natural gas-fired generation, including gas control center or gas compressor plant.

**Please provide detail for consideration of Critical Load status:
(Please attach all supporting information for consideration)**

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

Section 700: Appendix – Facilities Rental Service Agreement

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 77 of 88

700.6 FACILITIES RENTAL SERVICE AGREEMENT

Account Number:

Service Location:

Member Name:

Service Address:

1. This Facilities Rental Service Agreement ("Agreement") is for services to be provided under Pedernales Electric Cooperative, Inc.'s ("PEC") Facilities Rental Rider.
2. This Agreement between Member and PEC shall continue for a term of **seven** years. Member shall provide advance notice to PEC not less than 90 days prior to the completion of said term of seven years, so as to notify PEC that said term of seven years is near completion, **or** said Agreement shall continue beyond said term of seven years until the Member provides PEC with a 90-day advance notice that said term of seven years has been completed.
3. PEC agrees to lease to Member the electric equipment and facilities as set forth in Exhibit A attached hereto and made a part hereof ("Facilities") used in providing electric connection service to Member.
4. Member shall pay PEC a "Monthly Facilities Rental Charge", being an additional charge associated to the aforementioned Account, charged monthly for said term of seven years, and calculated as follows:

Calculated Installed Cost of Facilities (Times) Monthly Facilities Rental Rate (Equals) Monthly Facilities Rental Charge

X

=

5. In the event Member requests that any Facilities constructed, owned, maintained, or operated by PEC be removed, **or** if Member wishes to discontinue paying PEC for said Monthly Facilities Rental Charge prior to completion of said term of seven years, then PEC will remove such Facilities within a reasonable time at Member's expense. The removal charge shall include the labor and construction equipment usage cost to PEC of removing such Facilities less the salvage or reclamation value of the Facilities, whichever is higher, and shall be calculated in accordance with generally accepted accounting principles. In addition to removal costs net of salvage, Member shall also pay to PEC the undepreciated value of the assets being removed (including installation, labor, and facilities). Such payment shall be made to PEC promptly after such removal is completed.

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

Section 700: Appendix – Facilities Rental Service Agreement

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 78 of 88

6. PEC will maintain the Facilities installed by it and rented to Member in good operating condition and assumes all costs and expenses in connection therewith except for repairs due to any damages or destruction of the Facilities caused by Member. Maintenance expenses to PEC other than repair of damages caused by Member will in no way increase the monthly rentals which Member will pay PEC, provided that should all or any part of the Facilities being rented require replacement during the term of this Agreement, the monthly rental charges will be re-computed based on the provisions in the PEC's applicable Facilities Rental Rider.
7. PEC will endeavor to perform inspection or maintenance of the Facilities during time periods which will minimize any impact on Member's operation.
8. Member will protect PEC property located on Member's premises from persons not authorized to have access to PEC's property.

ACCEPTED BY:

ACCEPTED:

Pedernales Electric Cooperative, Inc.

BY:

BY:

(Signature)

(Date)

(Signature)

(Date)

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

Section 700: Appendix – Interconnect Agreement 50 KW or Less

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 79 of 88

700.7 INTERCONNECT AGREEMENT 50 KW OR LESS

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF
COGENERATION OR SMALL GENERATION INSTALLATION: 50 kW or less**

THIS AGREEMENT (the "Agreement") made this ____ day of _____ by and between _____ hereinafter referred to as the "Member," and PEDERNALES ELECTRIC COOPERATIVE, INC. hereinafter referred to as the "Cooperative," is as follows:

1. Purpose. Member owns or intends to own and/or operate a qualifying electric power generating installation and desires to interconnect and operate such installation in parallel with Cooperative's electric distribution system. This Agreement defines the relationship between the Cooperative and Member including terms affecting delivery and sale of electricity as well as reasonable conditions for interconnection and parallel operation.
2. Member's Generating Installation. The generating installation to which this Agreement applies is described as:

Make	
Model	
Serial Number	
Fuel or Energy Source	
Nameplate Rating (kW-DC)	
Nameplate Output Rating (kW-AC)	
Operating Voltage (volts)	
Connection (phase)	

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

Section 700: Appendix – Interconnect Agreement 50 KW or Less

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 80 of 88

Location of Facility at	
Installer's Name	
Installer's Phone Number	
PEC Member Account Information:	
Name	
PEC Account Number	
Member Phone Number	
Member Email Address	
Emergency Contact:	
Name	
Address	
Phone Number	

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

Section 700: Appendix – Interconnect Agreement 50 KW or Less

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 81 of 88

3. Terms. The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, and sales of electricity will be governed by the Cooperative's Tariff and Business Rules including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, said Tariff and Business Rules including all service rules, regulations, and rates is a part of this Agreement of the same extent as if fully set out herein and is available online at www.pec.coop
4. Interconnection. Prior to interconnection Member shall (1) have fulfilled all requisites for the provision of electric utility service contained in the Tariff and Business Rules; (2) provide an interconnection plan and other information as described herein and as otherwise may be required; (3) comply with conditions for line extension; (4) sign and deliver this Agreement; (5) complete construction; (6) comply with laws; (7) have an inspection of disconnect features; (8) give notice of intent to energize; and (9) eliminate any conditions preventing interconnection. Member warrants to Cooperative that Member's power generating installation is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.
5. Review Process; Access; Location. Member shall submit application and design plans in a form as requested by the Cooperative to the Cooperative for its review 60 days prior to planned interconnection. Member shall then notify the Cooperative for inspection of the disconnect features of the Member's equipment a minimum of 30 days prior to energizing. After review of the disconnect features of the Member's equipment, Cooperative will then sign the Agreement, and notify Member that the Member may activate the interconnected system.

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

6. Insurance and Indemnity. Member may consider obtaining liability insurance which insures Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Member's generating equipment. Otherwise, the Cooperative's liability is limited herein and in accordance with its Tariff and Member agrees to indemnify and hold the Cooperative harmless from all claims except as may be specified herein or in the Tariff.
7. Liability for Injury and Damages. Member assumes full responsibility for electric energy furnished to him or her at and past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Member arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Member's generating installation except (i) when the negligence of Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Member or to employees of Member or in the case of a residential Member, to all members of the household; and (ii) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (a) any negligence of Cooperative or its agent(s) independent of and unrelated to the

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

Section 700: Appendix – Interconnect Agreement 50 KW or Less

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 82 of 88

maintenance of Cooperative's facilities or any condition on Member's premises or (b) the breach by Cooperative of any provision of any contract regarding purchase and/or sale of electrical energy or service between Cooperative and Member.

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

8. Parallel Operation. Member is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Member's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected. Member shall install and/or pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and meter(s) at all times. The Cooperative will have the right to enter the Member's property for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other Cooperative equipment. The Member shall supply at no cost to the Cooperative a suitable location on his or her premises for the installation of the Cooperative's meters and other equipment. The Cooperative's liability is limited as described herein and in accordance with its Tariff and Member agrees to indemnify and hold the Cooperative harmless from all claims except as may be specified herein or in the Tariff.
9. Sales of Electric Service to Member. Member agrees to pay for electric service in accordance with the Cooperative's Interconnection Net Metering Rate Up to 50 kW and is subject to such other rates as may be applicable under its Tariff. Cooperative will render to Member a statement in accordance with its Tariff. Member agrees to pay the total amount shown on such statement on or before its due date. Payment shall be made to Cooperative in accordance with its Tariff. If any tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having a jurisdiction thereof whether or not at the request of the Cooperative, such changed tariff, rate/or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change.
10. Purchases of Electricity from Member/Producer. The Cooperative shall install a single meter for Member/Producer with two registers that measure the Delivered Energy from PEC to the Member and the Received Energy from the Member to PEC. The Cooperative shall allow the meter to turn both forward and turn backward to register net metering energy consumption or production by the Member during normal monthly (or similar periodic) billing cycles. On a monthly basis the Net Energy will be calculated by subtracting the Received Energy from the Delivered Energy. The Net Energy shall be credited at a Net Energy Credit Rate equal to the sum of the Base Power Cost and the Power Cost Adjustment as per as the otherwise

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

Section 700: Appendix – Interconnect Agreement 50 KW or Less

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 83 of 88

applicable tariff. The Net Energy Credit Rate is posted on the Cooperative's website at www.pec.coop and is subject to change.

11. Terms. The acceptance of this instrument by the Cooperative shall constitute an agreement between the Member and the Cooperative which shall continue in force for an initial term of one year and then year-to-year thereafter from the date service is made available by the Cooperative to the Member. After the initial term, this Agreement may be terminated by either party giving at least thirty (30) days written notice to the other.
12. Breach. The failure or refusal to perform any obligation contained in this agreement shall constitute a breach of this agreement. The parties shall have such remedies for breach as may be provided for by law or in equity. Notwithstanding any other provision of this agreement, Cooperative may discontinue service if Member has breached any portion of this agreement, failed to make timely payment or otherwise is in violation of Cooperative policies.
13. Entire Agreement. This agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Member and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. Member agrees that it is not relying on any statements not herein contained.
14. Assignment. This Agreement shall not be assigned by Member except in accordance with the Articles, By-laws, and rules and regulations of the Cooperative. This Agreement shall inure to the benefit of Cooperative's assigns.
15. Interconnection Cost. Member agrees to pay for extension of Cooperative's facilities and other interconnection costs as may be necessary for Member's interconnection. An estimate shall be provided to the Member if any extension or other costs are required upon Member's submission of his or her application or design plans. The Cooperative reserves the right to require additional safety, reliability and/or operational equipment and/or measures where its engineering study determines that such equipment and/or operational measures are required. In such cases, the Member shall be responsible for the cost of such equipment and/or operational measures.
16. Receipt of Policy. Member acknowledges that the Interconnection Policy of the Cooperative is found in its Tariff and Business Rules, as may be amended from time to time.

Member:

Pedernales Electric Cooperative, Inc.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Date: _____

Date: _____

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

Section 700: Appendix – Interconnect Agreement 50 KW to 400 KW

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 84 of 88

700.8 INTERCONNECT AGREEMENT 50 KW TO 400 KW

**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF
COGENERATION OR SMALL GENERATION INSTALLATION:
Greater than 50 kW AC and less than 400 kW AC**

THIS AGREEMENT (the "Agreement") made this _____ day of _____ by and between _____ hereinafter referred to as the "Member," and PEDERNALES ELECTRIC COOPERATIVE, INC. hereinafter referred to as the "Cooperative," is as follows:

1. Purpose. Member owns or intends to own and/or operate a qualifying electric power generating installation and desires to interconnect and operate such installation in parallel with Cooperative's electric distribution system. This Agreement defines the relationship between the Cooperative and Member including terms affecting delivery and sale of electricity as well as reasonable conditions for interconnection and parallel operation.
2. Member's Generating Installation. The generating installation to which this Agreement applies is described as:

Make	
Model	
Serial Number	
Fuel or Energy Source	
Nameplate Rating (kW-DC)	
Nameplate Output Rating (kW-AC)	
Operating Voltage (volts)	
Connection (phase)	

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

Section 700: Appendix – Interconnect Agreement 50 KW to 400 KW

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 85 of 88

Location of Facility at	
Installer's Name	
PEC Member Account Information:	
Name	
PEC Account Number	
Member Phone Number	
Member Email Address	
Emergency Contact:	
Name	
Address	
Phone Number	

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

Section 700: Appendix – Interconnect Agreement 50 KW to 400 KW

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 86 of 88

3. Terms. The Cooperative agrees to use reasonable diligence to provide simultaneous electric service. Interconnection, parallel operation, and sales of electricity will be governed by the Cooperative's Tariff and Business Rules including any and all amendments that may hereafter be approved or ordered by any regulatory authority having jurisdiction, said Tariff and Business Rules including all service rules, regulations, and rates is a part of this Agreement of the same extent as if fully set out herein and is available online at www.pec.coop
4. Interconnection. Prior to interconnection Member shall (1) have fulfilled all requisites for the provision of electric utility service contained in the Tariff and Business Rules; (2) provide an interconnection plan and other information as described herein and as otherwise may be required; (3) comply with conditions for line extension; (4) sign and deliver this Agreement; (5) complete construction of Member's solar panels; (6) comply with applicable laws; (7) have an inspection of disconnect features; (8) give notice of intent to energize; and (9) eliminate any conditions preventing interconnection. Member warrants to Cooperative that Member's power generating installation is constructed and will be maintained in a safe and reliable condition and will comply with the latest applicable codes.
5. Review Process; Access; Location. Member shall submit application and design plans in a form as requested by the Cooperative to the Cooperative for its review 60 days prior to planned interconnection. Member shall then notify the Cooperative for inspection of the disconnect features of the Member's equipment a minimum of 30 days prior to energizing. After review of the disconnect features of the Member's equipment, Cooperative will then sign the Agreement, and notify Member that the Member may activate the interconnected system. Cooperative will complete each such review and inspection in a timely manner.

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

6. Insurance and Indemnity. Member may consider obtaining liability insurance which insures Member against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with Member's installation, operation, and maintenance of the Member's generating equipment (collectively, "Claims"). Otherwise, the Cooperative's liability is limited herein and in accordance with its Tariff and Member agrees to indemnify and hold the Cooperative harmless from all claims except as may be specified herein or in the Tariff.
7. Liability for Injury and Damages. Member assumes full responsibility for electric energy furnished to Member at and past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Member arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Member's generating installation or conditions on Member's premises, except to the

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

Section 700: Appendix – Interconnect Agreement 50 KW to 400 KW

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 87 of 88

extent when the (i) negligence or willful misconduct of Cooperative or its agent or agents was the sole proximate cause of injuries, including death therefrom, to Member or to employees of Member or in the case of a residential Member, to all members of the household or (ii) the breach by Cooperative of any provision of this Interconnection Agreement between Cooperative and Member.

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence or willful misconduct of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical and interconnect equipment proximately caused by the negligent or willful misconduct of the Cooperative or its agent(s). The Cooperative shall not be liable in any event for consequential damages.

8. Parallel Operation. Member is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where Member's conductors contact the Cooperative's conductors. The electrical power generated shall be compatible with Cooperative's standard distribution system at the point of delivery and of such quality that Cooperative's system is not adversely affected. Member shall install and/or pay for a visible break disconnect switch. The Cooperative shall have access to the disconnect switch and meter(s) at all times. The Cooperative will have the right to enter the Member's property for purposes of testing, operating the disconnect switch, reading or testing the metering equipment, maintaining right-of-way or other Cooperative equipment. The Member shall supply at no cost to the Cooperative a suitable location on his or her premises for the installation of the Cooperative's meters and other equipment. The Cooperative's liability is limited as described herein and in accordance with its Tariff and Member agrees to indemnify and hold the Cooperative harmless from all claims except as may be specified herein or in the Tariff.
9. Sales of Electric Service to Member and Purchases of Electricity from Member. The Cooperative shall install two meters, owned and operated by the Cooperative, for Member. The first meter will record total solar production. The second meter will have two registers, one which records electricity delivered (Delivered Energy) to Member, and another that records electricity returned to the Cooperative through metered solar overproduction (Received Energy). The Cooperative shall have reasonable access to Member's meter data for billing purposes. Member agrees to pay for electric service in accordance with the Cooperative's Tariffs. The Cooperative has adopted the Wholesale Energy Credit as of July 1, 2017. If any Tariff or rate is changed by the Cooperative, or by order or consent of any regulatory authority having jurisdiction thereof, such changed Tariff, rate/or redefined class of service shall be applicable to service provided hereunder from and after the effective date of such change.
10. Terms. The acceptance, by execution of this instrument, by the Cooperative shall constitute an agreement between the Member and the Cooperative which shall continue in force for an

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

Section 700: Appendix – Interconnect Agreement 50 KW to 400 KW

Applicable: Entire Certified Service Area

Effective Date: February 21, 2020

Page 88 of 88

initial term of one (1) year and then year-to-year thereafter from the date service is made available by the Cooperative to the Member. After the initial term this Agreement may be terminated by either party giving at least thirty (30) days written notice to the other. Upon termination, Member will disconnect from the Cooperative's facilities.

11. Breach. The failure or refusal to perform any obligation contained in this Agreement shall constitute a breach of this Agreement. The parties shall have such remedies for breach as may be provided for by law or in equity. Notwithstanding any other provision of this Agreement, Cooperative may discontinue service if Member has breached any material portion of this Agreement which is not cured by the date specified by the Cooperative, failed to make timely payment more than once in any calendar year or otherwise is in material violation of Cooperative written policies.
12. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements between Member and Cooperative for the service herein described, and the Cooperative, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. Member agrees that it is not relying on any statements not herein contained.
13. Assignment. This Agreement shall not be assigned by Member except (i) in accordance with the Articles, By-laws, and rules and regulations of the Cooperative or (ii) assignment to the Member's successor-in interest, whether by merger or sale of all or substantially all of its assets or otherwise who agrees to be bound by this Agreement. This Agreement shall inure to the benefit of Cooperative's and Member's permitted assigns.
14. Interconnection Cost. Member agrees to pay for extension of Cooperative's facilities and other interconnection costs as may be necessary for Member's interconnection. An estimate shall be provided to the Member if any extension or other costs are required upon Member's submission of his or her application or design plans. The Cooperative reserves the right to require additional safety, reliability and/or operational equipment and/or measures where its engineering study determines that such equipment and/or operational measures are required. In such cases, the Member shall be responsible for the cost of such equipment and/or operational measures.
15. Receipt of Tariff. Member acknowledges that the Interconnection Tariff of the Cooperative and the Tariff for Interconnection Metering for Systems Greater than 50 kW and Less Than 400 kW are found in its Tariff and Business Rules, as may be amended from time to time.

Member:

Pedernales Electric Cooperative, Inc.

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Date: _____

Date: _____