



**TARIFF AND BUSINESS RULES
FOR ELECTRIC SERVICE**

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

Table of Contents

Applicable: Entire Certified Service Area

Effective Date: June 1, 2024

Page 5 of 106

500.3.2	SMALL POWER SERVICE, FLAT BASE POWER CHARGE, WITH RENEWABLE ENERGY RIDER.....	64
500.3.3	SMALL POWER SERVICE, FLAT BASE POWER CHARGE, COMMUNITY SOLAR RATE	65
500.3.4	SMALL POWER SERVICE, FLAT BASE POWER CHARGE, COMMUNITY SOLAR RATE, WITH RENEWABLE ENERGY RIDER.....	67
500.3.5	SMALL POWER SERVICE, TIME OF USE (TOU) BASE POWER CHARGE	69
500.3.6	SMALL POWER SERVICE, TIME OF USE (TOU) BASE POWER CHARGE, WITH RENEWABLE ENERGY RIDER	71
500.3.7	SMALL POWER SERVICE, INTERCONNECT RATE	73
500.4	LARGE POWER RATE SCHEDULES	74
500.4.1	LARGE POWER SERVICE	74
500.4.2	LARGE POWER SERVICE, WITH RENEWABLE ENERGY RIDER	76
500.4.3	LARGE POWER SERVICE, INTERCONNECT WHOLESALE ENERGY RATE	78
500.5	INDUSTRIAL POWER SERVICE	80
500.6	TRANSMISSION LEVEL SERVICE	81
500.7	RATE PROGRAMS.....	82
500.7.1	MILITARY BASE DISCOUNT.....	82
500.7.2	ECONOMIC DEVELOPMENT DISCOUNT	82
500.7.3	COOPERATIVE-OWNED ELECTRIC VEHICLE PUBLIC CHARGE STATION RATE ..	83
500.7.4	UNMETERED DEVICE SERVICE	83
500.7.4.1	UNMETERED LIGHTING DEVICE SERVICE	84
500.7.4.2	UNMETERED NON-LIGHTING DEVICE SERVICE	84
500.8	FEE SCHEDULE.....	86
600	INTERCONNECTION POLICY	88
600.1	GENERAL	88
600.2	LIMITATIONS WITH REGARD TO METERS AND FACILITIES	88
600.3	COMPLIANCE WITH ALL LAWS, REGULATIONS, AND STANDARDS	88
600.4	MEMBER REQUIREMENTS.....	88
600.5	COOPERATIVE REVIEW OF PROPOSED DG FACILITY	89
700	APPENDICES	90
700.1	MEMBERSHIP APPLICATION AND CERTIFICATE	90
700.2	RESIDENTIAL LETTER OF GUARANTEE	91
700.3	PREPAID PAYMENT OPTION MEMBER AGREEMENT	93
700.4	MEDICAL NECESSITY PROGRAM APPLICATION	95
700.5	APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION (DG).....	98
700.6	INTERCONNECTION AGREEMENT FOR PARALLEL OPERATION OF DISTRIBUTED GENERATION (DG).....	100
700.7	APPLICATION FOR EASEMENT RELEASE.....	104

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

Section 100: Definitions

Applicable: Entire Certified Service Area

Effective Date: June 1, 2024

Page 6 of 106

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 and/or requesting service at a certain voltage, including without limitation, Primary Level Service or other services.

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), Four (4) Coincident Peak Demand in kilowatts (kW), billing demand in kilowatts (kW), Power Factor, Community 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.

Capacity Demand – The maximum demand (kW) of power consumed, measured on a fifteen (15) minute interval basis within the billing period as applicable.

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

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

Section 100: Definitions

Applicable: Entire Certified Service Area

Effective Date: June 1, 2024

Page 8 of 106

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 do not meet the qualifications for service in Section 500.2 Residential Rate Schedules.

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

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

Peak Demand – The maximum demand (kW) of power consumed measured on an hourly interval basis during the Peak and the Super Peak time periods as applicable.

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.

Primary Level Service – Service delivered at any one of the Cooperative's available service voltages delivered after one (1) Cooperative transformation (other than by use of autotransformers) from a transmission voltage.

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.

Real Time Market – Energy transactions occurring within the current instant in time in the ERCOT market.

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.

**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: June 1, 2024

Page 17 of 106

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 current requirements and standards and the latest version of the National Electrical Code (NEC);
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 or its authorized contractors or agents 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 authorized contractor or agent to exhibit a photo identification badge to gain access. Failure to provide access to Cooperative Facilities 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.

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 500.8, Fee Schedule.

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

Section 400: Line Extension Policy

Applicable: Entire Certified Service Area

Effective Date: June 1, 2024

Page 38 of 106

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.

400.6 PRIMARY LEVEL SERVICE

APPLICABILITY

For this section, an Applicant also includes a Member already receiving Primary Level Service. By receiving Primary Level Service, the Applicant agrees to the following:

1. The Cooperative is delivering service to the service location at primary level voltage at the Applicant's request;
2. The Applicant will procure, at the sole expense of the Applicant, all facilities and equipment, including but not limited to transformers, poles, and conductors required to take electric service at primary level voltage as required by Cooperative's most current design standards and specifications;
3. The Applicant owns all facilities located beyond the Point of Delivery and PEC will not perform work at any point past the Point of Delivery;
4. The Applicant will assume all responsibility for furnishing, installing, constructing, owning, maintaining, and operating all facilities beyond the Point of Delivery;
5. The costs for any upgrade, addition, or change in configuration to existing Member-owned or Cooperative Facilities will be at the sole expense of the Applicant and in accordance with the Cooperative's Tariff and Business Rules. This includes upgrades, additions, or changes required by PEC to maintain PEC's Delivery System and to continue to provide service at primary level voltage;
6. All Member-owned facilities must be tagged and visually identified as property of the Member;
7. The Applicant must agree to provide an as-built facilities sheet to the Cooperative within thirty (30) days of completed construction;
8. The Applicant must agree to notify the Cooperative in writing of any new load and/or facilities additions for the Cooperative to assess existing facilities capacity and conduct any engineering studies required to serve the new load; and
9. All Member-owned installations must be in accordance with the latest version of National Electric Safety Code (NESC) and NEC standards.

The Cooperative reserves the right to deny Primary Level Service to an Applicant if the Cooperative determines such service may have an adverse impact on the Cooperative's Delivery System or service provided to another Member.

POINT OF DELIVERY

The Point of Delivery will be at the primary meter on an overhead primary pole or an underground metering enclosure.

400.7 UNDERGROUND SERVICE

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

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

Section 500: Rates

Applicable: Entire Certified Service Area

Effective Date: June 1, 2024

Page 47 of 106

= -\$ 0.013488 per kWh

The charge may be updated each June 1st and October 1st to align with forecasted costs.

500.1.10 PRIMARY SERVICE ADJUSTMENT (PSA)

APPLICABILITY

This adjustment may be applicable to all rate schedules corresponding to a Member receiving Primary Level Service. A Member receiving Primary Level Service must procure, install, and maintain all facilities and equipment beyond the Point of Delivery at their expense and in accordance with the latest version of the NESC and NEC standards.

PURPOSE

This adjustment will be used to credit a Member receiving electric power and energy at Primary Service Level.

RATE

This adjustment will be based on the total amount due for the applicable charges incurred for the month. Applicable charges, according to the Member's rate schedule, are the Delivery, Capacity Demand, Peak Demand, Base Power, and TCOS Pass Through Charges. The adjustment will not apply to any other charges, fees, credits, or adjustments. The adjustment will be determined as follows:

$$PSA = - (\text{Monthly sum of applicable charges}) \times 2\%$$

500.1.11 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.

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.

500.1.12 SUSTAINABLE POWER CREDIT

APPLICABILITY

This credit applies to all Members enrolled in the Interconnect Rate.

PURPOSE

This credit will be used to compensate a Member for Received Energy.

RATE

The credit per kWh of Received Energy is:

- \$0.069554

500.1.13 WHOLESALE ENERGY CREDIT

APPLICABILITY

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

PURPOSE