

BLUEBONNET ELECTRIC COOPERATIVE, INC. Tariff For Electric Service		Section III	Sheet No. 35
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301.1 General Policy.

It shall be the policy of this Cooperative to supply electric service under the Cooperative's rate schedules applicable to the class of service supplied to all applicants who require electric service at locations within the Cooperative's existing certificated electric service areas provided the following conditions are met:

1. Applicant shall complete and sign the Member Agreement for Membership in the Cooperative.
2. Applicant pays to the Cooperative at the time of request a Deposit(s), when applicable. Deposits shall be refunded to the Members in accordance with this Tariff or upon final termination of service, provided that all amounts due the Cooperative have been paid. The Cooperative may apply the Membership Deposit to a Member's final bill for electric service rendered. A Certificate of Membership to the Bluebonnet Electric Cooperative shall be delivered to each Member on their monthly statement.
3. Applicant executes all contracts which under the Cooperative's Tariffs, Bylaws, rules and regulations and/or rate schedules, are required in connection with furnishing the type of service for which application is being made. If applicable, applicant will complete and sign the Limited Sales Excise and Use Tax Certificate.
4. Applicant furnishes an easement granting to the Cooperative the right to construct, operate, access and maintain any facilities which the Cooperative may be required to construct or install on the property of the applicant in order to furnish the required electric service. The Cooperative shall have the right to replace, rebuild, maintain, or remove said facilities and the right to serve others from the Applicant's easement(s) at no cost to the Cooperative.
5. The electric service required by Applicant may be supplied from existing facilities of the Cooperative where available, or Applicant can make arrangements with the Cooperative in accordance with the provisions of the Cooperative's existing Line Extension Policy with respect to any facilities required to be constructed to supply Applicant with the required electric service.
6. Where Applicant pays all required fees and it is later found that through no fault of the Cooperative the facilities cannot be installed, all fees less any costs incurred by the Cooperative will be refunded to the Applicant.

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7. Mobile Home and RV Park Service.
 Owners and operators of RV and Mobile Home Parks shall be required to make request for, and be responsible for, service to all master meters in such parks. Such request shall be subject to the conditions of service set out in the Bluebonnet Tariffs.
8. Resale of Electric Energy.
 The Member shall not extend electric facilities outside their premises for service to other individuals or premises and shall not resell energy received from the Cooperative to any other person or persons on the Member's premises, or for use on any other premises.
9. House Moving.
 Where a house or structure is to be moved along roadways over which electric wires are strung, the Cooperative must be given at least two (2) week prior notice of the route over which a house or structure is to be moved and the suitable deposit shall be made to cover the cost of providing clearance of wires. Along with the notice, Member must obtain and present a current Tx DOT permit to the Cooperative for the move. In no case shall anyone other than authorized employees and/or contractors of the Cooperative move, cut, raise, or handle any wires in connection with the move.
10. Modification of Terms and Conditions of Service.
 No agent, representative, or employee of the Cooperative shall have the authority to modify the terms and conditions as stated herein. However, the Cooperative shall have the right to amend the terms and conditions, or to make additional terms and conditions as it may deem necessary from time to time, subject to approval by the Board of Directors of the Cooperative and any other body having jurisdiction.
11. Activation Charge.
 Applicants applying for electric service may be assessed a \$55.00 activation fee per meter, together with any applicable taxes. All charges must be paid at the time of service request.

Refund of Activation Charge.

- A. The activation fee for new locations shall be refunded, minus any charges the Cooperative may have already incurred, if the application for service is cancelled prior to service having been made available.
- B. The Activation fee for existing locations shall be refunded, minus any charges the Cooperative may have already incurred, if the application for service is cancelled with no connection having been made.

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12. Regular Business Hours.

The Cooperative's regular business hours are posted at Member Service Centers and on the Cooperative website, bluebonnetelectric.coop. All other hours shall be classified as special duty hours.

13. Material Sales.

The sale of operating and construction materials may be made only by the approval of the Cooperative General Manager or his designated agent.

14. Wiring Inspection Program.

An inspection of Applicant and/or Member's meter loop shall be required of all new and existing locations prior to any connection of service.

In the event that the meter loop does not pass the inspection, the connection will be turned down and must be re-inspected following the necessary corrections. Any re-inspection(s) will result in (an) additional \$125.00 charge(s), together with any applicable taxes.

Meter loop specifications are available on the Cooperatives website, bluebonnetelectric.coop or at any Member Service Location and will be provided at the time of the engineering appointment or upon the Applicant and/or Member's request.

The inspection will be conducted or caused to be conducted by Cooperative personnel or authorized contractor. **THE COOPERATIVE SHALL NOT BE LIABLE FOR FAILING TO IDENTIFY ANY NON-CONFORMING METER LOOP OR WIRING AND ANY DAMAGES RESULTING THEREFROM.**

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302 Meters.

A. Meter Reading

All electric service installations include a meter to registers electric consumption (reads), and a module that communicates reads back to the Cooperative. The Cooperative shall read all meters on a monthly basis and shall render a monthly bill for electric service to each Member based upon these readings. Where conditions may dictate, the Cooperative may render an estimated bill for one month when an actual reading is not taken. Each monthly estimated reading will be based upon the previous monthly usage history at that meter. In no instance shall a Member refuse to allow the Cooperative access to its meter or facilities.

B. Stopped Meter

If a meter is found not to register for any period, unless bypassed or tampered with, the Cooperative shall charge for units used, but not metered, for a period not to exceed three (3) months based on amounts under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

C. Module Failure

If a meter is found to register correct usage but failed to communicate the correct usage to the Cooperative's system the Cooperative shall charge the Member for units used, but not billed, for a period not to exceed six (6) months. The estimated charge shall be based on amounts used under similar conditions during the period preceding or subsequent to the period the meter was found not to register, or during corresponding periods in previous years.

D. Meter Testing

The Cooperative will, upon request of the Member, test the accuracy of the Member's meter, without charge. If desired, the test will be conducted in the Member's presence or that of an appointed representative. The test will be conducted during the Cooperative's regular business hours at a mutually convenient time should the Member desire to observe the test. In some instances and at the Cooperative's sole discretion, the test may be made at the Cooperative's test laboratory. If the meter has been tested at the Member's request within a four year period from the request of the second test, and the meter is found to be within the acceptable standard of plus or minus two percent (2%) accuracy, a fee of \$55.00, including any applicable taxes, will be assessed. When applicable, the Member shall be advised in writing as to the date of removal of the meter, the date of the test, the test results, and who conducted the test.

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If any meter is found to be outside the accuracy standard (+ or – 2%), proper corrections shall be made to the previous readings for the period of six months immediately preceding removal of such meter from service for test, or from the time the meter was in service since last tested, whichever is shorter. Adjusted bills shall be rendered as dictated by the test results. No refund is required except to the Member last served by the meter prior to testing.

E. Meter Repairs

The Cooperative does not perform work on Member’s side of the meter, i.e. changing location of service, removing meter loop for house repairs, throwing multi-breaker switches, etc.. The Cooperative accepts no responsibility and expressly disclaims any liability whatsoever for any work performed on Member’s side of meter.

F. Meter Tampering (Unauthorized Use of Utility Service and/or Utility Service Diversion)

1. Meter Tampering and/or Utility Service Diversion means a person’s unauthorized action to divert and/or tamper with utility service to:
 - (a) prevent accurate measurement of utility usage;
 - (b) receive the benefit of utility service without approval;
 - (c) alter metering equipment preventing accurate meter readings and subsequent billings;
 - (d) alter utility account records or computer data to prevent accurate billings; or
 - (e) Altering or damaging Cooperative equipment or facilities.
2. When Utility Service Diversion is found, it is presumed that it is done by or at the direction of the Member whose account is diverted for that Member’s benefit.
3. A person, including a Cooperative employee, may not alter, benefit from or permit the alteration of utility equipment, utility services, utility records, or utility charges, except as authorized under this Tariff.
4. The Cooperative may:
 - (a) investigate suspected violations of utility regulations;
 - (b) correct unsafe conditions caused by a violation;
 - (c) collect undercharged utility costs and related fees and charges; and
 - (d) seek civil and/or criminal remedies as may be permitted by law.

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5. If a Member benefits from Utility Service Diversion, Unauthorized use of Utility Service or damage to utility equipment, the Cooperative may:
 - (a) immediately disconnect the Member's service as provided in Section 305B (Termination of Service); and/or
 - (b) request appropriate officials prosecute the Member under applicable law.

6. If a Member commits, allows another person to commit or benefits from Utility Service Diversion, Unauthorized Use of Utility Service, or damage to Cooperative utility equipment or facilities, the Cooperative may disconnect service and/or collect payment from the Member equal to:
 - (a) The estimated costs of electricity not recorded on a meter and charged to the Member under the applicable rate schedule;
 - (b) Actual damages to Cooperative utility equipment and/or facilities; and
 - (c) Utility diversion charges of:
 - (i) \$350.00 for the first offense;
 - (ii) \$500.00 for the second offense;
 - (iii) \$800.00 for subsequent offenses
 - (d) Once disconnected under this section, a Member or a location at which the Member has use or possession may not be reconnected until all fees and accounts are paid in full; and
 - (e) The Cooperative reserves the right to terminate and permanently refuse service to a Member and/or location if disconnected pursuant to this section.

7. The Cooperative may impound equipment or property used by a person for Utility Service Diversion, Unauthorized Use of Utility Service, or damage to Cooperative utility equipment and/or facilities without compensating the owner of the equipment or property.

8. This tariff is cumulative of other regulation and enforcement proceedings relating to Utility Service Diversion, Unauthorized Use of Service, and damage to Cooperative equipment and/or facilities.

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303 Refusal of Service.

- A. The Cooperative may refuse service to an Applicant until such Applicant has complied with the State, county and Municipal regulations and approved Tariffs, Bylaws, Policies, Member Handbook, rules and regulations of the Cooperative governing the type of service applied for, or for the following reasons:
1. Applicant's facilities are inadequate – if the Applicant's installation or equipment is, in the Cooperative's sole discretion, determined to be hazardous or of such character that satisfactory service cannot be given; or in the Cooperative's sole discretion, the Applicant's facilities are determined not to comply with all applicable state, county and municipal regulations;
 2. Refusal to make deposit – if Applicant is required to make a Membership Deposit and refuses to do so;
 3. Violation of Cooperative's Tariff – The Applicant fails to comply with the Tariffs, including but not limited to those sections pertaining to operations on nonstandard equipment or unauthorized attachments which may interfere with the service of others. The Cooperative shall provide the Applicant notice of such refusal and afford the Applicant a reasonable amount of time to comply with the Cooperative's tariff;
 4. Intent to Deceive – The Applicant applies for service at a location where another Member received, or continues to receive, electric service and the electric bill is unpaid, and the Cooperative has suspicion, or has identified, in its sole discretion, that a change in identity has been made in an attempt to help the other Member avoid or evade payment of the electric bill. The Cooperative has the right to refuse service unless the applicant (1) can provide a signed and dated lease agreement proving that he or she is the lessee, or (2) can provide proof of purchase of the residence, or (3) can provide proof of bankruptcy; or
 5. Meter Tampering – The Member is disconnected in accordance with Section 302.

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304 Billing.

- A. All bills for electric service and all other amounts due to the Cooperative are payable at any of the Cooperative's Member service offices, by mail, via telephone or on-line.
- B. All Members are billed on a monthly basis (usually 28-33 days depending on the applicable billing cycle) covering the kilowatt-hour consumption for that period, with the exception of large power, large power > 250 kW and industrial accounts whose meters are read by Cooperative personnel on varying dates.

The due date of the bill shall be sixteen (16) days after the date of issuance. A bill will be considered delinquent if unpaid by the due date.

- C. Work performed at the request and for the convenience of the Member shall be billed on a Member job order at actual cost plus a percentage as determined by the General Manager or his designate.
- D. Returned payments are not bona fide payments; therefore, the gross billing amount shown on the monthly bill will apply if the payment is not paid in full by the due date shown on the **original bill**. NSF and other payments returned by the bank will be immediately charged back to the Member's account. The Member will be notified by letter of the returned payment and given ten (10) business days to bring the account current. **However, if a disconnect notice has been issued, service will be disconnected if the account has not been brought current by the disconnect date.** The Member will be charged a \$30.00 processing charge for each NSF payment received by the Cooperative.
- E. To pay a monthly bill by non-cash method, Member shall have no more than two (2) return items within a consecutive twelve (12) month period for the payment to be accepted. Upon receipt of a second return item, the Member will be notified by letter that non-cash payments will no longer be accepted as a form of payment for a period of one year (12 months). Payments will have to be made by cash, cashier's check, or money order. A non-cash payment from another source (relative, neighbor, friend, etc.) will not be accepted. Payments from an accepted assistance agency may be accepted.

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F. Idle Service Billing.

An applicant for electric service who the Cooperative has made electric service available to shall have the premises wired and ready to begin consumption within thirty (30) days thereafter. Applicant shall pay the service availability charge for electricity contracted until they become a Member and pay in accordance with current Tariff whether or not a meter has been connected. The Member shall be responsible for notifying the Cooperative should they no longer require the meter or idle service. No refunds shall be issued for idle service or non-consumption meters. This rule is designed to take care of situations where the Cooperative has incurred expense in making electricity available and the Applicant unduly delays consumption.

G. Disputed Bills.

If a Member gives notice to the Cooperative prior to the due date of the bill that the current bill is incorrect, and provides valid reasons to substantiate the dispute, the Cooperative will promptly investigate the discrepancy. Notice of dispute shall not be sufficient reason(s) for withholding payment **of the undisputed portion of the bill**. If the bill is found to be incorrect, the Cooperative will correct the billing on the next monthly statement.

The Member shall be required to pay the amount of the average monthly usage at current rates by the due date on the billing statement to avoid any penalties. The Member shall be required to pay the disputed portion of the bill which exceeds the amount of the average monthly usage at current rates pending the completion of the complaint resolution within a maximum of sixty (60) days. The Member's average monthly usage at current rates shall be the average of the Member's gross utility service for the preceding twelve (12) month period. Where no previous usage exists, consumption for calculating the average monthly usage shall be estimated on the basis of usage levels of similar Members under similar conditions.

H. Failure to Receive Bill.

Bills for electric service shall be considered as received by the Member when mailed by first class mail or by electronic mail if Member has elected paperless billing. If the Member fails to receive a bill, the Cooperative upon request, will issue a duplicate. However, failure to receive a bill in no way exempts a Member from payment for service rendered.

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I. Transfer of Delinquent Balances.

If the Member, or authorized third party, or a third party beneficiary has an outstanding balance due from another account, the Cooperative may transfer that balance to the Member's current account. The delinquent balance from the old account shall be identified as such on the bill.

J. Penalty on Delinquent Bills.

A one-time penalty of \$5.00 or five percent (5%) of the amount owed for each meter on the current bill, whichever is larger, will be assessed on a delinquent account. The penalty will not be applied to any balance to which the penalty has already been applied. No such penalty shall be applied to any State of Texas Member (this does not include municipal or county government Members).

K. Acceptable Payments

All payments must be made using currency drawn on the United States Federal Reserve banking system. Payments can be made using cash, checks or debit cards drawn on banks with ABA routing numbers, money orders and credit cards. Those who choose not to pay in accordance with the prescribed means shall have service disconnected.

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305. Disconnection of Electric Service.

A. Disconnect Notice

If the Member fails or refuses to pay the Cooperative in accordance with the Tariffs, Bylaws, Member Handbook, rules and regulations, Policies, deferred payment agreement, or guaranty agreement, then proper notice shall be given prior to disconnection. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) calendar days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. If mailed, the cut-off day may not fall on a holiday or weekend, but shall fall on the next business day after the tenth calendar day. Payment at an authorized payment agency is considered payment to the Cooperative. Disconnect notices shall not be issued earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to ascertain receipt of payment by mail at the Cooperative's authorized payment agency.

If services are disconnected for nonpayment a \$55.00 disconnect fee will be assessed.

B. Disconnect Notice in Hazardous Conditions

Service may be disconnected without any notice to Member if a hazardous condition exists or for meter tampering, bypassing and/or diversion of electricity.

C. Disconnection for Nonstandard Equipment or Interference with Service of Other Member.

Service may be disconnected for violation of service rules pertaining to the use of 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.

D. Additional Reasons for Disconnection with Proper Notice

Service may be disconnected for failure to make proper application for service; refusal of access; failure to pay a bill to correct previous under-billing, safety concerns, and/or default on guarantee agreement.

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E. Extension of Disconnect Date for Medical Reason

The Cooperative will not discontinue service to a delinquent residential Member when it is established that disconnection of members electric service will result in a person residing at that residence becoming seriously ill. It will be the Member's responsibility to provide the cooperative with a written statement from the physician or health care provider stating someone at that residence is either seriously ill and/or supported by an electric device. The delinquent residential Member who makes such a request and provides proper documentation may enter into a deferred payment agreement. The critical care documentation for electric service shall be valid for two years from the date shown.

If the Member's service is disconnected after failure to meet the deferred payment agreement, a reconnection of the service will not be made until the amount owed is paid in full along with the disconnect fee, reconnect fee and a deposit if applicable, for each meter to be reconnected. **Full payment must be received prior to 5:30 p.m.** Bluebonnet will make every effort to reconnect the Member on the date full payment is received. Bluebonnet reserves the right to postpone reconnection should an emergency situation occur. **Payments will not be accepted at the Member's service location.**

F. Reconnection of Service

If the Member's service is disconnected for non payment, service will not be reconnected until the amount owed is paid in full, together with a service interruption fee of up to \$180 and a deposit, if applicable, for each meter to be reconnected. Upon receipt of full payment, Bluebonnet will make every effort to reconnect Member's service on the date full payment is received. Payments will not be accepted at the service location. Bluebonnet reserves the right to postpone reconnection should, in Bluebonnet's sole discretion, it cannot reasonably reconnect due to workload or other conditions.

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306. Establishment of Credit.

The Cooperative may require Applicant, regardless of the type of service applied for, to demonstrate and satisfactorily establish credit in such form and manner as may be prescribed by the Cooperative. The satisfactory establishment of credit shall not relieve the Applicant from complying with Tariff provisions for prompt payment of bills. Notwithstanding any provision of these rules to the contrary, the following rules shall apply to the establishment of credit.

1. Permanent Residential Applicants.

An Applicant may satisfactorily establish credit and shall not be required to pay a deposit if:

A. Payment History

The Applicant is a current Member and does not have more than one occasion on which a bill was paid after becoming delinquent and never had service disconnected for nonpayment.

B. New Residential Members

The Applicant for residential service demonstrates a credit rating satisfactory to the Cooperative.

2. Amount of Deposit for Permanent Residential, Landlord, Apartment Complexes, Condominiums and Mobile Home Units, Commercial, and Industrial Applicants.

The required deposit shall not exceed an amount equivalent to one-sixth (1/6) of the annual billing as estimated by the Cooperative after discussion of usage history with the Cooperative personnel.

3. Interest Earned on Deposit.

If a Member has been required to make a deposit, the Cooperative shall pay interest on the deposit at the rate established annually on December 1 for the subsequent calendar year by the Public Utility Commission of Texas. Payment of interest to the Member shall be a credit on the Member's monthly bill until the deposit is returned or credited to the Member's account. The deposit shall cease to earn interest on the date it is returned or credited to the Member's account.

4. Refund of Deposit During Service Period.

When the Member has paid bills for service for twelve (12) consecutive billings, without having service disconnected for nonpayment and without having more than one occasion in which a bill was delinquent, and the Member is not delinquent in the payment of the current bill, the

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Cooperative shall promptly and automatically refund the deposit to the Member's bill. If the Member does not meet these refund criteria, the deposit and interest may be retained.

5. Request for Additional Deposit

If member is disconnected for non payment, Member maybe required to provide additional deposits prior to reconnection of service.

6. Reestablishment of Credit

Every Applicant who previously has been a Member of the Cooperative and whose service has been discontinued for nonpayment of bills, meter tampering or bypassing of meter shall be required, before service is rendered, to pay all amounts due the Cooperative in order to reestablish credit.

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307. Construction Specifications.

1. All construction, except where modifications are necessary because of existing conditions, shall be in conformance with the specifications and drawings for transmission and distribution facilities developed by the National Electrical Safety Code (NESC) and the Rural Utility Services (RUS), United States Department of Agriculture. Any deviations from these specifications shall be in compliance with accepted standards of the industry.
2. The type of character of construction and the capacity required for an extension shall be determined by the Cooperative's Engineering Department.
3. The location of the extension origin and the route to be followed in the construction of an extension shall be determined by the Cooperative's Engineering Department after due consideration of the engineering problems involved with the objective of providing the best service possible. The origin need not necessarily be at the point on the existing distribution system most proximate to the applicant's premises, nor the route selected to be the shortest distance between origin and delivery point.
4. In cases where line extensions are constructed on poles jointly used by another utility, the investment chargeable to the extension shall be determined as though the necessary facilities were to be entirely constructed by the Cooperative without regard to the actual ownership of the jointly used poles.

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308. Liability.

1. **THE COOPERATIVE SHALL NOT BE LIABLE FOR DAMAGES OCCASIONED BY INTERRUPTION, FAILURE TO COMMENCE DELIVERY, OR VOLTAGE, WAVE FORM, OR FREQUENCY FLUCTUATION CAUSED BY INTERRUPTION OR FAILURE OF SERVICE OR DELAY IN COMMENCING SERVICE DUE TO ACCIDENT TO OR BREAKDOWN OF PLANT, LINES OR EQUIPMENT, STRIKE, RIOT, ACT OF GOD, ORDER OF ANY COURT OR JUDGE GRANTED IN ANY BON-A-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 OR DUE TO THE NEGLIGENCE OF THE COOPERATIVE, ITS EMPLOYEES, OR CONTRACTORS, EXCEPT TO THE EXTENT THAT THE DAMAGES ARE OCCASIONED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COOPERATIVE.**
2. **THE MEMBER SHALL BE RESPONSIBLE FOR ANY INJURY TO PERSONS OR DAMAGE TO PROPERTY OCCASIONED BY OR CAUSED BY THE ACTS, OMISSIONS OR NEGLIGENCE OF THE MEMBER OR ANY OF THEIR AGENTS, EMPLOYEES, OR LICENSEES, IN INSTALLING, MAINTAINING, OPERATING, OR USING ANY OF MEMBERS' LINES, WIRES, EQUIPMENT, MACHINERY, OR APPARATUS, AND FOR INJURY AND DAMAGE CAUSED BY DEFECTS IN THE SAME.**
3. **THE COOPERATIVE SHALL NOT BE HELD LIABLE FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY CAUSED BY IT LINES OR EQUIPMENT WHEN CONTACTED OR INTERFERED WITH BY GUY WIRES, ROPES, AERIAL WIRES, ATTACHMENTS, TREES, STRUCTURES, OR OTHER OBJECTS NOT THE PROPERTY OF THE COOPERATIVE WHICH CROSS OVER, THROUGH, OR IN CLOSE PROXIMITY TO THE COOPERATIVE'S LINES AND EQUIPMENT. THE COOPERATIVE SHOULD BE GIVEN ADEQUATE NOTICE BEFORE TREES OVERHANGING OR IN CLOSE PROXIMITY TO THE COOPERATIVE'S LINES OR EQUIPMENT ARE TRIMMED OR REMOVED, OR WHEN STACK GUYS, RADIO AERIALS, TELEVISION ANTENNAS, WIRES, ROPES, DRAIN PIPE STRUCTURES, OR OTHER SUCH OBJECTS ARE INSTALLED OR REMOVED NEAR THE COOPERATIVE'S LINES OR EQUIPMENT. THE COOPERATIVE ASSUMES NO LIABILITY WHATSOEVER REGARDLESS OF SUCH NOTICE.**
4. **THE COOPERATIVE SHALL NOT BE HELD LIABLE FOR INJURY TO PERSONS OR DAMAGES TO EQUIPMENT AND PROPERTY CAUSED BY OTHERS**

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MAKING USE OF THE COOPERATIVE'S RIGHT-OF-WAY AND EASEMENT. WHERE BURIED FACILITIES OF OTHER UTILITIES MAY CROSS OR RUN ADJACENT TO THE COOPERATIVE'S FACILITIES, WITHIN CLOSE PROXIMITY TO THE COOPERATIVE'S FACILITIES, THE COOPERATIVE WILL ACCEPT NO RESPONSIBILITY AND ASSUME NO LIABILITY FOR DAMAGES TO THE OTHERS' FACILITIES WHEN THE COOPERATIVE IS MAINTAINING, OPERATING, RELOCATING, REPLACING, OR OTHERWISE WORKING ON ITS FACILITIES.

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309. Continuity of Service

The Cooperative will endeavor to supply electric service on a continuous basis, but it does not warrant that it will do so. It shall be the responsibility of the Member to install such single phase and three phase protective devices as are necessary to properly protect his equipment and property from damage in the event of electrical service failure and/or variations in voltage. **THE COOPERATIVE ACCEPTS NO RESPONSIBILITY AND ASSUMES NO LIABILITY FOR DAMAGE INCURRED BY THE MEMBER BY REASON OF THE COOPERATIVE'S FAILURE TO SUPPLY CONTINUOUS SINGLE PHASE OR THREE PHASE ELECTRIC SERVICE OR FOR ANY VOLTAGE FLUCTUATIONS.**

When a Member may be operating or has installed computer equipment, the Member shall be responsible for installing such protective devices to protect the computer equipment from interruptions of service, voltage fluctuations, lightning-related disturbances, and system disturbances that may affect the operation of the equipment and/or cause the loss of information stored on the equipment.

When power fails, it is the responsibility of the Member to determine that the failure is not the result of the Member's wiring or apparatus before notifying the Cooperative. Where a Member may own or make use of semi-inhabited facilities (Example: weekend cabins, hunting cabins, lake cabins, weekend farm and ranch homes), the Cooperative neither accepts nor assumes any liability in the event that power may be interrupted and not restored at these locations. No charge will be made for those failures attributed to the Cooperative; however, if it is found the fault is in the Member's fuses, multi-breaker(s) or wiring, then the Member will be assessed a \$55.00 service fee, together with any applicable taxes. No repairs on the Member's side of the meter will be made by Cooperative employees or contractors.

In order to make repairs to, or changes in, the Cooperative's facilities for supply of electric service, the Cooperative reserves the right, without incurring any liability therefor, to suspend service without notice to the Member for such periods as may be reasonably necessary.

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310. Member Complaints.

The Cooperative shall make a full and prompt investigation of all complaints made by its Members by letter, e-mail, telephone, or in person. Complaints received from other organizations such as the Public Utility Commission of Texas, assistance agencies, cities, etc., will receive the same consideration. A record shall be maintained of all complaints received that are not resolved immediately and shall include the name and service address of the Member, mailing address (if different than service address), the date and subject of the complaint, and resolution made thereof. This record shall be maintained for a period of two years.

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311. Extension Policies.

A. Temporary Service

Applicants that request temporary electrical service (generally 24 months or less) shall pay a non-refundable contribution-in-aid-to-construction (CIAC) for all line extension and removal costs to serve a specific location.

B. General Service/Non-Residential Service

Applicants pay a non-refundable CIAC for all estimated line extension costs greater than \$350 per service.

C. General Service/Residential and Single-Phase Commercial Service

Applicants pay a non-refundable CIAC for all estimated line extension costs greater than \$1,950 per service.

A one-time refund of thirty percent (30%) of the payment made under this section may be made under the following conditions:

1. The CIAC payment from the Member is for overhead residential service \$7,000.00;
3. The line constructed under the CIAC payment is utilized to serve another Member within three years; and
4. The Member requests the refund on the proper form within 90 days of completion of the line. **All requests for refund will be verified before any refund is made.**

The refund is forfeited if the Member who paid the CIAC no longer owns the property.

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D. Subdivisions or Other Residential Developments

Applicants pay a non-refundable CIAC for all estimated line extension costs greater than \$1,950 per service.

Each multi-unit dwelling of four (4) units or less will be charged a non-refundable CIAC for all estimated line extension costs greater than \$1950.00.

Apartment buildings and multi-unit dwellings of more than four (4) units will be charged as determined on a case-by-case basis, based on the Applicant's projected energy usage patterns and expected life of business, not to exceed 30 years.

E. Pumping, Three-Phase Commercial and Large Power Service

Applicants pay a non-refundable CIAC for all estimated line extension costs greater than the calculated construction allowance for each individual new service.

The calculated construction allowance shall be determined on a case-by-case basis based on the applicant's projected energy usage patterns and expected life of their business, not to exceed 30 years.

F. Motor Loads Greater than 25hp

Service to motor loads greater than 25 horsepower, whether service is to an individual motor, several motors, or motors and non-motor load, are subject to approval by Bluebonnet's Engineering Department and will require applicants to pay line extension fees consistent with section 311C.

G. Relocate Existing Electrical Facilities

Applicants shall pay a non-refundable CIAC for all costs associated with facility relocations.

H. Route Modifications

Cooperative design personnel, in their sole discretion, shall have the ability to determine the most feasible route for a line extension. A Member may request modifications to the route selection, and should the requested route be approved, the Member shall be responsible for the full cost of the requested modifications.

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I. Dually Certificated Service Territory:

Applicants for service in dually certificated service territory will pay a non-refundable CIAC consistent with the aforementioned policies for their specific rate class. However, at Bluebonnet's discretion, an applicant's contribution may be determined via the more precise construction allocation calculations that are used for Pumping, Three-Phase Commercial, and Large Power Service.

J. Idle Service Billing.

An applicant for electric service who the Cooperative has made electric service available to shall have the premises wired and ready to begin consumption within thirty (30) days thereafter. Applicant shall pay the service availability charge for electricity contracted until they become a Member and pay in accordance with current Tariff whether or not a meter has been connected. The Member shall be responsible for notifying the Cooperative should they no longer require the meter or idle service. No refunds shall be issued for idle service or non-consumption meters. This rule is designed to take care of situations where the Cooperative has incurred expense in making electricity available and the Applicant unduly delays consumption.

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312. Power Production and Cogeneration

Sections 312 – 316 of this tariff apply to the interconnection and parallel operation of all qualifying power generating installations with the purpose of selling wholesale electricity to the Cooperative or to shave load, as well as to provide electric service to such generating installations. Any member owning or operating a qualifying Power Generating Installation shall be referred to as “Producer.” It is the intent of the Cooperative to encourage and allow Producers to install Distributed Generation (DG) provided the Producer’s Distributed Generation facility does not adversely affect the Cooperative. If any part of these sections shall be in conflict with any other provision of this Tariff, these sections shall control. By agreement, the Cooperative and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity.

For the purpose of Sections 312 – 316 of this Tariff, “Distributed Generation” (DG) means an electrical generating facility located at a Producer’s point of delivery (point of common coupling) of ten megawatts (MW) or less and connected at a voltage less than 60 kilovolts (kV) that may be connected in parallel operation to the utility system and produces power by the use of renewable energy technology that exclusively relies on an energy source naturally regenerated over a short time and derived directly from the sun, wind, water, or other natural movements and mechanisms of the environment.

For the purpose of Sections 312 – 316 of this Tariff, the term “Renewable Net Metering Producer” shall mean a Producer that operates on-site Distributed Generation that was installed prior to August 1, 2017.

For the purpose of Sections 312 – 316 of this Tariff, the term “Renewable Producer” shall mean a Producer that operates on-site Distributed Generation of under 50 kW .

For the purpose of Sections 312 – 316 of this Tariff, the term “Renewable Wholesale Producer” shall mean a Producer that operates a Distributed Generation facility that is 50 kW or greater, unless otherwise approved by the Cooperative.

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313. Obtaining Interconnection

Any Producer desiring to interconnect with the Cooperative's system shall meet the following requirements. These requirements are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service.

A. Comply with the Tariff

Producer must meet all Cooperative membership and service requirements, apply for interconnection by completing and executing an appropriate Agreement for Interconnection and Parallel Operation, provide an easement satisfactory to the Cooperative, and otherwise comply with the Tariff and any other applicable rules, regulations, policies and/or Bylaws of the Cooperative.

B. Provide Information

Producer shall submit a plan showing the electric design of the Distributed Generation facility including interconnection requirements, size, operational plans, and equipment for interconnection with the Cooperative's system. Producer shall also provide such additional information as may be reasonably required by the Cooperative. In the event the Producer's plan involves the use of non-standard equipment or design techniques, the Cooperative may require such plan be approved by a registered professional engineer at Producer's expense.

Cooperative will review the application and accompanying documents, plans, specifications, and other information provided and will return an interconnection analysis to the Producer within 60 days of receipt of final plans and specifications. Any review or acceptance of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of Distributed Generation facilities and does not warrant the efficiency, cost-effectiveness, safety, durability or reliability of generating installations.

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C. Engineering Studies and Study Fees

The Cooperative may conduct engineering studies, service studies, coordination studies and/or utility system impact studies prior to interconnection of a DG facility. The scope of any such studies shall be based on the characteristics of the particular DG facility to be interconnected and the Cooperative's system at the specific proposed location. Studies may be conducted by a qualified third party that has been approved by the Cooperative. An estimate of the study cost and an estimate of the time required to complete the study will be provided to the Producer in advance. The Producer shall pay the cost of the study and/or fees that are provided in the estimate within 15 days prior to the study.

For Renewable Wholesale Producers, the Cooperative's power supplier and other entities may require additional information and may require additional engineering analysis and/or additional fees where applicable. Renewable Wholesale Producers are required to follow all ERCOT protocol requirements.

D. Payment for Extension of Cooperative's Facilities

Producer shall comply with conditions for extensions of the Cooperative's distribution system as may be determined by the Cooperative in accordance with the following extension policy: If an extension of Cooperative's distribution system is required for sale or receipt of electric energy to or from a Distributed Generation facility, whether or not in conjunction with another use, the Cooperative shall exercise prudent judgment in determining the conditions under which such extension will be made. Each case shall be viewed individually considering (1) cost to provide service, (2) longevity of the load, (3) annual load factor, (4) possibility of other loads developing along the proposed line extension, (5) longevity, capacity, and dependability of power to be received by the Cooperative, (6) anticipated annual revenue, and (7) compatibility with planned system improvements.

The Cooperative may require Producer to pay a CIAC that equals the amount of material and labor necessary to construct electric facilities to Producer.

E. Provide Liability Insurance

Except for a Producer of Distributed Generation of less than one megawatt, Producer shall furnish a certificate from Producer's insurance carrier showing liability insurance satisfactory to the Cooperative including contractual liability insurance covering indemnity agreements, which insures Producer 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 Producer's generating equipment. The certificate shall name the Cooperative as an additional insured and also provide that the insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Cooperative.

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F. Sign Agreements

Producer shall sign and deliver to the Cooperative an Agreement for Interconnection and Parallel Operation as well as the Distributed Generation Worksheet specified within the Interconnection and Parallel Operation Agreement.

G. Complete Construction

Producer shall construct the Distributed Generation facility and install a disconnect switch and other protective equipment as may be reasonably required by the Cooperative to protect its personnel, facilities, general public and operations.

H. Comply with Laws, Policies, Standards, and Specifications

Producer shall comply with Federal, State, and local laws, ordinances and regulations applicable to Distributed Generation facilities. The Producer is responsible for and must follow the Cooperative's Tariffs, line extension policies, the policies and procedures of the Cooperative's power supplier where applicable, and the policies and procedures of the Cooperative's transmission service provider where applicable. The producer is responsible for and must follow the current Institute of Electrical and Electronics Engineers (IEEE) 1547 Standard Guide for Distributed Generation Interconnection, other applicable IEEE standards, the current National Electric Code (NEC) 690, and applicable ANSI standards.

I. Notify Cooperative

Producer shall notify the Cooperative in writing at least thirty (30) days in advance of energizing the Distributed Generation facility and permit the Cooperative to inspect and test protective equipment.

J. Modification of Distributed Generation Facility

Producer shall notify the Cooperative in writing at least 30 days in advance of making any changes to Producer's Distributed Generation facility. Any changes to a Distributed Generation Facility that modifies the Producer's Interconnection and Parallel Operation Agreement by a "Renewable Net Metering Producer" shall at Bluebonnet's determination, require a new Interconnection and Parallel Operation Agreement, which must be submitted by Producer for approval.

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K. Eliminate Conditions Preventing Interconnection

In the event that it comes to the attention of the Cooperative that there are conditions preventing safe interconnection and proper parallel operation, it shall notify the Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected. Producer shall notify the Cooperative in writing at least thirty (30) days in advance of re-energizing the Distributed Generation facility and permit the Cooperative to inspect and test Producer's equipment.

The foregoing are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service. Failure to comply with any provision herein may result in the disconnection of Electric Utility Service and/or the disconnection of the DG Facility from the Cooperative's system. Any re-connect by the member without proper authorization will be subject to the fees applicable under meter tampering, Section 302.F. of the Tariff.

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314. Parallel Operation

A. Installation

With the exception of the Cooperative's meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance, and operation of the Distributed Generation facility at and beyond the point where the Producer's conductors contact Cooperative's conductors. The Producer's Distributed Generation facility shall be designed and installed in accordance with applicable codes, regulations and prudent industry standard engineering practice.

After completion of interconnection requirements and prior to initiation of service, the Cooperative will conduct a final inspection of the facilities and interconnection to the Cooperative's system. In the event that the interconnection does not pass the inspection, interconnection will be denied and must be re-inspected following the necessary corrections. Producer shall pay all associated costs, but not less than \$125.00 for each re-inspection, together with any applicable taxes. Upon satisfactory final inspection, the Cooperative will initiate service to the Producer. **THE PRODUCER ACKNOWLEDGES AND AGREES THAT ANY REVIEW AND 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 PRODUCER'S EQUIPMENT OR DISTRIBUTED GENERATION FACILITY TO PERFORM ITS INTENDED FUNCTION.**

PRODUCER SHALL ACT INDEPENDENTLY AND NOT AS AN AGENT, EMPLOYEE, OR REPRESENTATIVE OF BLUEBONNET. PRODUCER ASSUMES ALL LIABILITY FOR AND WILL DEFEND, INDEMNIFY AND FOREVER HOLD HARMLESS THE COOPERATIVE, ITS OFFICERS, DIRECTORS, AFFILIATES, AGENTS, REPRESENTATIVES, ASSIGNS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES, OR LIABILITIES OF ANY KIND OR NATURE, INCLUDING BUT NOT LIMITED TO CLAIMS OF COOPERATIVE'S NEGLIGENCE, WHICH THE COOPERATIVE, ITS OFFICERS, DIRECTORS, AFFILIATES, AGENTS, REPRESENTATIVES, ASSIGNS, AND EMPLOYEES MAY SUSTAIN OR INCUR OR WHICH MAY BE IMPOSED UPON THEM OR ANY OF THEM FOR INJURY TO OR DEATH OF ANY PERSON (INCLUDING CLAIMS OF EMPLOYEES OF PRODUCER AND ANY SUBCONTRACTORS AND THE FAMILIES, HEIRS AND ASSIGNS OF THE EMPLOYEES OF PRODUCER OR ITS SUBCONTRACTORS), OR DAMAGE TO PROPERTY (INCLUDING PROPERTY OF PRODUCER AND ITS SUBCONTRACTORS) AS A RESULT OF, ARISING OUT OF, OR IN ANY MANNER CONNECTED WITH PRODUCER'S DISTRIBUTED GENERATION FACILITY. PRODUCER SHALL ALSO PROVIDE A LEGAL DEFENSE OF ALL CLAIMS DESCRIBED ABOVE, BY COUNSEL ACCEPTABLE TO THE COOPERATIVE, OR THE COOPERATIVE MAY PROVIDE ITS OWN DEFENSE, AND PRODUCER WILL REIMBURSE THE COOPERATIVE ALL REASONABLE COSTS OF DEFENSE.

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B. Self-Protected Generating Installation

The Producer will furnish, install, operate and maintain in good order and repair, all equipment necessary for the safe operation of the Distributed Generation Facility in parallel with the Cooperative's electric distribution system. The equipment will have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the Distributed Generation facility from the Cooperative's system in the event of an outage of the Cooperative or a malfunction of the Distributed Generation facility.

The Producer's Distributed Generation facility will also be designed, installed and maintained to be self-protected from normal and abnormal conditions in the Cooperative's electric distribution system. The conditions for which the Distributed Generation facility shall be self-protected shall include, but not be limited to: overvoltage, under voltage, over current, frequency deviation, lightning and faults. The self-protection will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular Distributed Generation facility characteristics and/or distribution system characteristics so warrant.

C. Quality of Service

Producer's Distributed Generation facility will generate power at the nominal voltage of the Cooperative's electric distribution system at the Producer's delivery point as defined by ANSI C84.1 Range A and at the nominal system frequency of 60 Hz within the tolerances as defined by IEEE 1547. If needed, producer will provide proper power factor correction or reimburse the Cooperative for the cost of any necessary correction.

The overall quality of the power provided by Producer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Cooperative's electric distribution system is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Distributed Generation facility, the Producer will correct the cause of such effects and reimburse the Cooperative for the cost of any required correction.

The Cooperative may, at its sole discretion, prevent the interconnection or disconnect the interconnection of Distributed Generation facility due to reasons such as safety, reliability, power quality, breach of interconnection contract or any other reasonable issue. Any disconnection may be without prior notice.

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D. Safety Disconnect

A Distributed Generation facility shall include, at Producer's expense, inverters that meet with specifications and test standards UL 1741 to provide isolation. In addition, a main disconnect switch will be installed by the Producer to provide a means of disconnection.

A Renewable Wholesale Producer may be required to install, at the Cooperative's sole discretion and at Wholesale Producer's sole expense, a remote operated disconnect for remote communication to the Cooperative Control Center, and remote terminal unit (RTU) compatible to the Cooperative's SCADA.

For all interconnected systems, the disconnect switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by a Cooperative padlock. The Cooperative shall have the right to lock the switch open whenever, in the judgment of the Cooperative, (1) it is necessary to maintain safe electrical operating or maintenance conditions, (2) the Producer's Distributed Generation facility adversely affects the Cooperative's electric distribution system, or (3) there is a system emergency or other abnormal operating condition which warrants disconnection.

The Cooperative reserves the right to operate the disconnect switch for the protection of the Cooperative's system even if it affects Producer's Distributed Generation facility. **In no event shall the Cooperative be responsible for any damages resulting from energizing or restoration of parallel operation of the Distributed Generation facility.** The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. Under no circumstances shall the Producer bypass the disconnect switch.

E. Access

Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barrier(s), the Producer will furnish the Cooperative with convenient means to circumvent the barrier(s) for access to the disconnect switch and meter(s).

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F. Modifications of Cooperative System

In the event that it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify its electric distribution system in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Cooperative for all reasonable costs of modifications which are allocable to the Distributed Generation facility.

The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices and/or upgrading of distribution system components. In addition, in the event the Cooperative at any time in the future changes primary voltage of facilities serving the Distributed Generation facility such that metering equipment, transformers, and/or any other Producer-owned equipment must be changed to continue receiving service at the new primary voltage level, the full cost of the change will be borne by the Producer.

G. Liability for Injury and Damages

PRODUCER ASSUMES FULL RESPONSIBILITY FOR ITS DISTRIBUTED GENERATION FACILITY AND THE ELECTRIC ENERGY FURNISHED AT AND PAST THE POINT OF INTERCONNECTION. PRODUCER SHALL INDEMNIFY THE COOPERATIVE AGAINST, AND HOLD THE COOPERATIVE, ITS OFFICERS, DIRECTORS, AFFILIATES, AGENTS, REPRESENTATIVES, ASSIGNS, AND EMPLOYEES HARMLESS FROM ANY AND ALL CLAIMS DEMANDS, LOSSES, DAMAGES, OR LIABILITIES OF ANY KIND OR NATURE, INCLUDING BUT NOT LIMITED TO CLAIMS OF COOPERATIVE'S NEGLIGENCE, WHICH THE COOPERATIVE, ITS OFFICERS, DIRECTORS, AFFILIATES, AGENTS, REPRESENTATIVES, ASSIGNS, AND EMPLOYEES MAY SUSTAIN OR INCUR OR WHICH MAY BE IMPOSED UPON THEM OR ANY OF THEM FOR INJURY TO OR DEATH OF ANY PERSON (INCLUDING CLAIMS OF EMPLOYEES OF PRODUCER AND ANY SUBCONTRACTORS AND THE FAMILIES, HEIRS AND ASSIGNS OF THE EMPLOYEES OF PRODUCER OR ITS SUBCONTRACTORS), OR DAMAGE TO PROPERTY (INCLUDING PROPERTY OF PRODUCER AND ITS SUBCONTRACTORS) AS A RESULT OF, ARISING OUT OF, OR IN ANY MANNER CONNECTED WITH PRODUCER'S DISTRIBUTED GENERATION FACILITY. PRODUCER SHALL ALSO PROVIDE A LEGAL DEFENSE OF ALL CLAIMS DESCRIBED ABOVE, BY COUNSEL ACCEPTABLE TO THE COOPERATIVE, OR THE COOPERATIVE MAY PROVIDE ITS OWN DEFENSE, AND PRODUCER WILL REIMBURSE THE COOPERATIVE ALL REASONABLE COSTS OF DEFENSE.

THE COOPERATIVE SHALL NOT BE LIABLE FOR EITHER DIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY FAILURES, INTERRUPTIONS, VOLTAGE, AND DIRECT OR WAVEFORM FLUCTUATIONS HOWEVER OCCASIONED, INCLUDING THE NEGLIGENCE OF THE COOPERATIVE, INCLUDING, BUT NOT LIMITED TO, ACTS OF GOD OR PUBLIC ENEMY, SABOTAGE AND/OR VANDALISM, ACCIDENTS, FIRE, EXPLOSION, LABOR TROUBLES,

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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 WAVEFORM FLUCTUATIONS OCCASIONED IN WHOLE OR IN PART BY THE GROSS 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 GROSSLY NEGLIGENT ACTS OF THE COOPERATIVE OR ITS AGENT(S). THE COOPERATIVE SHALL NOT BE LIABLE IN ANY EVENT FOR CONSEQUENTIAL DAMAGES.

H. Metering

Any necessary meters or meter modification will be installed, maintained and operated by the Cooperative at the Producer's expense.

A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer. The Cooperative may, at its own expense, supply, install and maintain load research metering for the purpose of monitoring and evaluating the Producer's Distributed Generation facility. Facilities of one megawatt AC or greater will be required to meet all ERCOT metering protocol and requirements.

The Cooperative shall specify, install and own all metering equipment. The facility will be metered by one of the following methods, at the sole discretion of the Cooperative:

- i. Installing one meter with two registers, each measuring the flow of energy in a single direction.
- ii. Installing any meter or meters as determined by the Cooperative or as needed to meet ERCOT protocol requirements.

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as deemed necessary. The Producer or the Cooperative may reasonably request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the tests for a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such

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period shall be estimated in the best manner possible as agreed upon by the Cooperative and the Producer.

I. Notice of Change in Installation

Producer will notify the Cooperative in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or protection of the Distributed Generation facility. If it comes to the Cooperative's attention that the modification will create or has created conditions which may be unsafe or adversely affect the Cooperative's system then it shall notify Producer and Producer shall immediately correct such condition.

J. Insurance

Producer shall maintain insurance as required by the Cooperative prior to interconnection and shall provide proof of such insurance to the Cooperative at least annually and more often if requested.

K. Disconnection of Service

The Cooperative may at its sole discretion discontinue the interconnection of Distributed Generation facilities due to reasons such as safety concerns, reliability issues, power quality issues, breach of interconnection contract, non-payment for service or any other reasonable purpose as determined by the Cooperative.

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315. Sales to Producers.

Producer's rate classification shall be designated by the Cooperative in accordance with the availability and type of service provisions in its rate schedules for all service. The Cooperative shall bill the Producer for the full energy used by the Producer during each billing period according to the Cooperative's applicable retail rate schedule.

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316. Purchases from Producer

A. Purchases from Producer

1. For Renewable Net Metering Producers, the Cooperative will annually pay for all of the monthly metered kWh output that is net of the monthly consumption. The Cooperative will pay all Renewable Net Metering Producers in the first quarter for the previous calendar year. The price paid by the Cooperative will be the average price paid for wholesale power for generation over the previous twelve (12) months.
2. For Renewable Producers, the Cooperative will pay for all the metered kWh output returned to the distribution grid from the Renewable Producer. In the event the monetary credit exceeds the amount billed to the Renewable Producer, said credit shall be applied to the Renewable Producer's subsequent bill. The Renewable Producer shall be compensated at the Cooperative's avoided wholesale power cost. The avoided cost rate will be set annually based on DG production levels during periods used by the Cooperative's Wholesale Power Supplier to set the Cooperative's power costs.
3. For Renewable Wholesale Producers, the Cooperative will pay on a monthly basis for the energy supplied by the Renewable Wholesale Producer to the Cooperative. The rate paid by the Cooperative to the Renewable Wholesale Producer that owns a Qualifying Facility shall be:
 - (1) An agreed upon purchase rate between the Cooperative and the Renewable Wholesale Producer.
 - Or
 - (2) The Renewable Wholesale Producers total production will be settled at the LCRA Load Zone within the real time market in ERCOT.
 - Or
 - (3) The Renewable Wholesale Producers kWh output delivered to the distribution grid will be settled at the LCRA Load Zone within the real time market in ERCOT.

B. Refusal to Purchase

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's Distributed Generation facility. Such refusal shall be based on system emergency constraints, special operating requirements, changes in wholesale generation contractual requirements, and adverse effects of the Producer's Distributed Generation facility on the Cooperative's system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation. The Cooperative shall not be required to make any purchases that will cause the Cooperative to no longer be in compliance with any applicable contracts or all-power contract requirements with the Cooperative's power supplier(s).