

NORTHERN NECK
ELECTRIC COOPERATIVE

Warsaw, Virginia 22572

TERMS AND CONDITIONS
For
PROVIDING ELECTRIC DISTRIBUTION SERVICE

*As filed with the
Virginia State Corporation Commission*

Effective: August 19, 2009

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I. INTRODUCTION

This filing sets forth the terms and conditions under which electric distribution service is supplied to its Members/Customers by Northern Neck Electric Cooperative (the Cooperative) within the designated service territory and is on file with the Virginia State Corporation Commission. Changes in these terms and conditions may be made from time to time to meet new or unforeseen conditions by the Cooperative's Board of Directors. The rules and regulations contained herein are not to be considered complete in every detail for furnishing electric distribution service, but are intended to be a general outline of the practices of the Cooperative.

Any person or entity receiving electric distribution service from the Cooperative is required to become a Member of the Cooperative. The terms Customer and Member may be used interchangeably in these Terms and Conditions.

The Cooperative, upon request, will provide any Applicant or Member with a copy of the rate schedules and terms and conditions under which distribution service will be supplied.

Members eligible for retail access will have the opportunity to purchase their energy supply from a competitive energy service provider if such energy supplier offers services within the Cooperative's service territory and has entered into a supplier agreement with the Cooperative. The terms and conditions for Retail Access are referenced in Appendix B to this document.

II. DEFINITIONS

Applicant - means any person, firm, corporation, or public body requesting electric distribution service from the Cooperative.

Business Day – any calendar day in which the general office of the Cooperative is open for business with the public.

Commission - refers to the Virginia State Corporation Commission.

Customer - refers to any Member and/or patron of the Cooperative receiving, or having received electric distribution service.

Delivery Point – the point where the Cooperative's equipment for supplying electric energy is connected to the Customer's equipment for receiving the electric energy, unless otherwise specified in a written agreement with the Customer; further defined in Section IV.I.1.

"Distribute", "Distributing" or "Distribution of" Electric Energy – means the transfer of electric energy through a distribution system to a Customer.

Inspection Authority – the authorized representative of any federal, state, local government, agency or political subdivision, having lawful authority to enforce federal, state, or local building codes.

Member - means any person, firm, corporation, or public body who has complied with the terms and conditions of service, the rules and regulations of the

Cooperative, and whose application for membership has been accepted by the Cooperative and is being supplied electric distribution service by the Cooperative.

Northern Neck Electric Cooperative - a Virginia electric cooperative operating under the Utility Consumer Services Cooperative Act.

III. BECOMING A MEMBER

Any person, firm, corporation, or public body, who controls, by ownership or lease, the property to be served, may become a Member of the Cooperative by:

- Executing the Membership Application and/or Service Contract.
- Agreeing to purchase electric distribution service from the Cooperative.
- Agreeing to comply with and be bound by the Certificate of Incorporation of the Cooperative, and the Bylaws and any Amendments thereto and such rules and regulations that may be adopted from time to time by the Board of Directors.
- Being at least 18 years of age and eligible to enter into a legally binding contract.

Upon becoming a Member and receiving service from the Cooperative, the Virginia State Corporation Commission's regulations require that the Cooperative make certain information, such as the Customer's name, account number and energy usage information, available to competitors on a "Mass List of Customer Information." Upon a Customer's request, the Cooperative shall remove the Customer's information from the list. See Appendix B – Retail Access General Rules and Regulations, Section IV, for more information about the Mass List.

Termination of membership shall not release a Member or the estate from debts due the Cooperative.

IV. REQUIREMENTS FOR SECURING ELECTRIC DISTRIBUTION SERVICE

A. Application or Agreement

1. No person shall receive electric distribution service until they have signed the Cooperative's approved form "Application for Membership" and/or its approved form "Agreement for the Purchase of Electric Distribution Service," and any agreements required by Section VI – Extension of Facilities or other sections of these rules.
2. Any person or entity owing a debt to the Cooperative shall not be allowed to join the Cooperative or receive service from the Cooperative until the debt has been paid in full or arrangements satisfactory to the Cooperative have been made for the payment of the outstanding debt.

3. Applicants must contact the Cooperative before service may be made available. Under certain conditions the Cooperative may require the Applicant to sign a contract for a monthly charge in addition to the charges specified under the applicable rate schedule. Customers may reference applicable rate schedules or contact the Cooperative to determine if such an agreement is required. Whether or not a written agreement covering the supply of electricity is executed, the Applicant, by accepting the electricity, agrees to be bound by the applicable rates, terms and conditions of service.
4. The Cooperative reserves the right to require the Applicant to establish that the Applicant is the owner or bona fide lessee of the premises and to require owners or bona fide lessees to execute the Application for Membership and/or the Agreement for the Purchase of Electric Distribution Service. When asked to provide such information, the Applicant shall provide the Cooperative with a copy of a signed lease or deed verifying such information along with a government issued photo ID. In the absence of a formal rental document, the Applicant must provide a notarized letter from the actual owner of record verifying that the Applicant is a bona fide lessee. The lessee shall also provide the Cooperative with the owner's name and address. Whether or not the Cooperative initially exercises the right specified above, the Applicant, by accepting electricity, agrees to comply at any time with this right.

B. Deposits

1. The Cooperative may require the Applicant or Customer to deposit with it initially and from time to time, as a guarantee of payment for services rendered by the Cooperative, such amount as, in the Cooperative's judgment, will secure it from loss. The amount of this deposit shall not be greater than an estimated billing for two months' service. The Cooperative is not bound to supply electric service until these conditions are fulfilled and it may disconnect with ten (10) days written notice to the Customer if the guarantee or increased guarantee is not given when required.
2. Verification of a satisfactory written credit report obtained by the Cooperative may be accepted for residential applicants in lieu of a deposit.
3. Whenever the required deposit from any Residential Customer exceeds the sum of \$100.00, the Customer shall be permitted to pay the required deposit in three consecutive equal monthly installments provided, however, that the Cooperative shall have the discretion to allow payment of any deposit over a longer period of time, not to exceed six months, to avoid undue hardship.
4. The Cooperative will pay interest on deposits held longer than ninety (90) days at a rate which shall be determined by the Virginia State Corporation Commission annually.

5. The Cooperative shall annually credit to the Customer's account all accrued interest or, upon the Customer's request, make direct payment to the Customer.
6. The Cooperative will return Residential deposits after the Customer has established 12 consecutive months of a satisfactory credit record after the deposit requirement is met. Satisfactory credit in this section will mean the residential Customer shall have no delinquent notices and no returned payments for the previous 12 consecutive months. The Cooperative will credit the deposit refund to the Customer's account or upon the Customer's request, make direct payment to the Customer.
7. The Cooperative will return Non-Residential deposits after the Customer has established 24 consecutive months of a satisfactory credit record after the deposit requirement is met. Satisfactory credit in this section will mean the non-residential Customer shall have no delinquent notices and no returned payments for the previous 24 consecutive months. The Cooperative will credit the deposit refund to the Customer's account or, upon the Customer's request, make direct payment to the Customer.
8. All remaining deposits, plus earned interest, will be returned to the Customer at the termination of electric distribution service after all indebtedness to the Cooperative has been paid. The Cooperative shall have a reasonable time to disconnect service and to ascertain that all obligations of the Customer have been fully performed before being required to return any deposit.
9. Additional deposits may be required resulting from Customer damage to Cooperative equipment as outlined in Section IX, C (Meter Tampering, Current Diversion or Unauthorized Reconnection).

C. Fees

The Applicant shall pay all other required fee(s), deposit(s), and charge(s) as per Schedule F, attached hereto as Appendix A.

D. Rate Schedule Selection

1. The Cooperative's Terms and Conditions and Rate Schedules for Electric Service on file with the Commission are available upon request at the Cooperative office.
2. When a Customer's load meets the conditions of two or more schedules, the Customer shall be responsible for the choice of the schedule. The Cooperative will assist in the selection at the Customer's request. However, except as provided by law, the responsibility of selection shall rest with the Customer.
3. The Cooperative cannot guarantee that the Customer will be served under the most favorable applicable schedule; however, upon written request the Cooperative will analyze the Customer's usage to determine if the Customer is on the most favorable applicable rate. Unless the

Cooperative has determined the most favorable applicable rate following a written request from the Customer, no refund will be made by the Cooperative to the Customer of the difference in the charge made under the schedule applied and that which would have been made if a more favorable applicable schedule had been chosen and applied.

E. Right-of-Way

1. The Cooperative shall determine its proposed route for construction of facilities location using least cost methods and utility accepted practices.
2. It shall be the Applicant's responsibility to secure and/or otherwise provide, at no cost to the Cooperative, a right-of-way easement acceptable to the Cooperative. Where desirable or necessary, the Cooperative may assist in the right-of-way easement acquisition at the Applicant's expense.
3. The Applicant shall grant the Cooperative or its agents access to the Cooperative's equipment and facilities, and the right to construct, operate, upgrade, relocate and maintain the Cooperative's facilities.
4. Developer shall grant the Cooperative a free and continuous easement adjacent to all streets and lot boundaries and common use facilities within the property of the development, and the authority to design, construct, maintain, upgrade, relocate and operate an electrical distribution system as proposed by the Cooperative.
5. The Cooperative shall have the right to keep easements clear of trees, shrubbery, undergrowth and other obstructions.
6. The Cooperative shall not be required to supply electricity until a reasonable time after the Cooperative has obtained all necessary applications, right-of-way easements and/or permits, under financial arrangements satisfactory to the Cooperative.
7. Customers shall not place any obstruction around pad-mounted equipment that could hinder the safe operation and maintenance of said equipment.
8. The Cooperative, its employees and its authorized agents shall not be liable for any aesthetic or subterranean damage to trees, shrubbery, or undergrowth located outside the provided right-of-way on the Applicant's property that may result from work done by the Cooperative within the provided right-of-way during the construction and/or maintenance of its facilities.

F. Connection Provisions

1. The Applicant shall provide an adequate point of attachment to the structure for the mechanical load and required clearances in accordance with the National Electrical Code (NEC) and the National Electrical Safety Code (NESC).

2. For overhead service, the Applicant shall provide the required service entrance riser with adequate drip loop for the Cooperative to make connections at the point of attachment.

G. Customer Wiring

The wiring must conform to the National Electrical Code, the National Electrical Safety Code and the specifications of the Cooperative. Before connection of service, if covered by the local building code, the Customer's installation must be approved by the Inspection Authority. In no event shall the Cooperative be under any obligation to inspect wiring or appliances of the Applicant, but where the Cooperative has reason to believe wiring or appliances of the Applicant do not comply with recognized requirements, the Cooperative may refuse to supply electricity to the Applicant. The Customer shall be responsible for notifying the Cooperative of any plans for adding appliances, equipment, and/or motors, which might overload or impair the electrical service or the facilities of the Cooperative. It is recommended that in the installation of a wiring system, the Applicant give consideration to all foreseeable future uses and install service entrance conductors and equipment of such capacity as to carry the maximum anticipated future loads.

H. Electric Distribution Service Limitations

To reduce the possibility of error or loss, the Applicant or Customer, before purchasing motors or other equipment, or undertaking to install wiring, shall secure from the Cooperative all necessary data relating to the characteristics of the electricity which will be supplied. The Cooperative reserves the right to set limitations on current inrush characteristics, demand, power factor, or any other characteristic of motors, wiring, or any other equipment in order to protect the quality, reliability, and/or safety of its system, and/or the service to other Customers.

I. Location and Maintenance of Cooperative's Equipment

1. Delivery Point

Unless otherwise specified in the service contract, the delivery point shall be that point where the Cooperative's conductors attach to the Customer's conductors or a location specified by the Cooperative when facilities are supplied under Excess Facilities – Schedule EF. All wiring, poles, lines, and other equipment (except metering equipment) on the load side of the delivery point shall be the Customer's responsibility.

2. Maintenance of Cooperative's Equipment

The Cooperative shall have the right to erect its facilities, on the property of the Applicant, which are necessary for supplying electricity to the Applicant. The Applicant shall provide suitable space for the installation of the necessary metering apparatus.

V. USE OF ELECTRIC DISTRIBUTION SERVICE

A. Cooperative as Sole Distributor

The Applicant and/or Customer agrees that no electricity, other than that distributed by the Cooperative, shall be distributed over the Cooperative's distribution facilities without previous written notice to and consent of the Cooperative.

B. Notification and Approval of Unusual Equipment Added by Customer

1. The Customer shall notify and obtain the consent of the Cooperative before the addition of any unusual equipment or appliances. Such unusual equipment includes, but is not limited to: instantaneous water heaters in excess of 10kW, single-phase motors in excess of 10 horsepower, three-phase motors in excess of 50 horsepower, generators or automated process equipment, and welders. The Cooperative reserves the right to charge for any in-depth engineering studies that may be required due to the connection of unusual equipment. The Cooperative may charge the customer the cost of additional facilities that must be installed by the Cooperative in order to compensate for the current inrush characteristics. Such cost may be charged as a contribution in aid of construction or may be paid through Excess Facilities – Schedule EF. When alterations require the location or character of a customer's service to be changed, the customer shall make appropriate arrangements with the Cooperative and the customer's electrical contractor for the accomplishment of the changes, and shall pay the Cooperative for any resulting costs.
2. In order to avoid undue outages, unnecessary costs or damages to the Customer's or Cooperative's equipment, the Customer shall advise the Cooperative in writing at least 60 working days prior to any electric load changes that would materially increase the demand.
3. The Cooperative reserves the right to refuse to supply electric distribution service to any piece of equipment whose operation is considered to be a safety hazard or detrimental to the Cooperative's electrical system or any of its Customers. Furthermore, the Cooperative reserves the right to immediately discontinue electric distribution service to any Customer operating such equipment until such time as the Customer conforms to the Cooperative's terms and conditions.
4. Service conductors, meters or metering equipment shall not be removed or relocated except by employees or authorized agents of the Cooperative.

C. Customer Generating Equipment

1. Interconnection

- a. A switch, or other approved disconnecting means, shall be used to prevent possible injury. The installation of such disconnecting means is subject to the inspection and approval of the Cooperative.
- b. Detailed plans showing the equipment to be used, the load transfer arrangement and the electrical connections shall be submitted to the Cooperative for approval.
- c. Where auxiliary service is provided by the Cooperative, or where an emergency source of supply is provided by the Customer, parallel operation of the Customer's generating equipment with the Cooperative's system is not allowed except where specifically approved by the Cooperative.
- d. Where a generator is to operate in parallel operation with the Cooperative's electric system, the interconnection shall comply with Schedule SGI-1, Small Generator Interconnections.

2. Co-Generation and Small Power Production Facilities:

Any qualifying co-generation or small power production facility, as designated by the Federal Energy Regulatory Commission (FERC), shall be dealt with in accordance with applicable FERC orders and legal and regulatory standards.

3. Net Metering

Any Customer qualifying for net metering, as designated by Virginia Code § 56-594, shall be dealt with in accordance with applicable legal and regulatory State standards.

4. Power From Generators

Customers are not permitted to use the Cooperative's facilities to sell any portion of their on-site, self-generation into the electricity market without first having executed a contract with both the Cooperative and the Transmission Provider.

D. Suitability of Apparatus to be Added

The Cooperative reserves the right, but shall not have the duty, to determine the suitability of any apparatus or appliance to be connected to its lines and to determine whether the operation of such shall be detrimental to its general supply of electricity. The Cooperative further reserves the right to refuse to supply, or to immediately discontinue the supply of electricity until such time as the Customer shall conform to the Cooperative's regulations.

E. Electric Distribution Service for Customer's Use Only

The Cooperative will furnish electric distribution service to the Customer for use only for the premises occupied through ownership or lease by the Customer. This service shall not be re-metered, sub-metered, or otherwise controlled by the Customer for resale or assignment to others, except as provided by the Code of Virginia.

F. Liability of Cooperative

The electricity supplied under any agreement is distributed by the Cooperative and purchased by the Customer upon the express condition that, after it passes the metering equipment of the Cooperative, or other point of delivery, it becomes the property of the Customer to be used only as herein provided. The Cooperative shall not, in any event, be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electricity on the Customer's premises or elsewhere, after it passes the Cooperative's metering equipment, or other point of delivery; or for any loss or damage resulting from the presence, character or condition of the wires or appliances of the Customer.

G. Interruption of Service

The Cooperative will endeavor to maintain, as nearly as practical, full continuity of service but it cannot guarantee uninterrupted service. It is the Customer's responsibility to provide protection for the Customer's electric motors, apparatus, wiring and other equipment from the effects of service interruption or abnormal service conditions, such as low voltage, high voltage, single-phasing, lightning damage or frequency change. The Cooperative will not be held responsible for losses experienced by the Customer due to the Customer's failure to provide such protection.

Without liability to the Cooperative, service may be interrupted or become abnormal because of any of the following causes:

1. Storms, accidents, equipment failure and/or acts of God.
2. Failure of power supplier, shortage in power supplies or capacity necessitating reduction in service or the implementation of rotating blackouts. When rotating blackouts are required, the Cooperative may, without notice and without incurring liability, implement them on the basis of what is, in the Cooperative's opinion, reasonably necessary to minimize adverse impact on the public health and safety and to facilitate restoration of normal service to all Customers at the earliest time practical.
3. An adverse condition or disturbance on the system of the Cooperative or on any other system directly or indirectly interconnected with it which requires automatic or manual interruption of the supply of electricity to some Customers or areas. The Cooperative may, without incurring liability, take such action as appears reasonably necessary in order to limit the extent or duration of the adverse condition or disturbance, or to prevent damage to generating or transmission facilities, or to expedite restoration of service.
4. By order of governmental authorities.
5. To make repairs, to limit or reduce the duration of interruptions, or to prevent damage to the Customer's or the Cooperative's equipment.

6. Civil disorder, strikes, or other labor trouble, riot, insurrection, war, fire or any other cause where the Cooperative believes it is necessary to de-energize part of its facilities for the protection of the public, its employees, or its electric system.

Upon any interruption of service, or any abnormal service, the Customer should notify the Cooperative as soon as possible. Upon correction of conditions, which caused the interruption, the Cooperative will be diligent in re-energizing its facilities when it is safe to do so.

H. Customer's Responsibility

1. The Customer shall be responsible for providing the Cooperative and/or its agent access to the Cooperative facilities installed on the Customer's premises.
2. The Customer shall be responsible at all times for the safekeeping of all Cooperative facilities installed on the Customer's premises and to that end shall give no one, except authorized Cooperative employees or its agents access to such facilities. The Customer shall notify the Cooperative immediately upon discovery of any damage to Cooperative facilities on the Customer's premises.
3. The Customer may be liable for the cost of repairs or damage done to the Cooperative's facilities on the Customer's premises resulting from the negligence of, or misuse by anyone other than Cooperative employees and/or its agents.
4. The Customer shall be responsible for the maintenance and repair of the Customer's wiring and equipment. Additionally, it is the Customer's responsibility to provide adequate protection for the Customer's motors or other equipment as defined in the National Electrical Code. Should the Customer report trouble with the supply of electricity, the Cooperative will endeavor to respond with reasonable dispatch to such calls with the purpose of correcting only such trouble as may be in the Cooperative's equipment supplying said Customer.
5. The Cooperative retains responsibility only with respect to the actions of its employees and/or its agents in connection with facilities owned by the Cooperative.
6. The Customer shall indemnify, hold harmless and defend the Cooperative against all claims, demands, costs or expenses, for loss, damage, or injury to persons or property in any manner directly or indirectly arising from, connected with, or growing out of the use of electricity by the Customer at or on the Customer's side of the delivery point.

VI. EXTENSION OF FACILITIES

The Cooperative's policy is to furnish adequate distribution electric service to all qualified Applicants within the Cooperative's service area. The service shall be furnished at the Cooperative's published rates as approved by the State Corporation Commission of Virginia and in accordance with the following line extension policy.

A. General

1. The standard construction practices of the Cooperative shall be to design and construct its facilities in the most direct and cost effective manner for the Cooperative and along a route that enhances the probability that the facilities constructed will be readily available for future applicants.
2. Should the Applicant request and the Cooperative agree to a final construction design other than that selected by the Cooperative, then the Applicant shall pay any incremental cost difference between the design selected by the Applicant and the design originally recommended by the Cooperative, in addition to any other fees, charges and associated line extension costs as set forth in these Terms and Conditions.
3. The construction materials, equipment and methods used will be determined by the Cooperative. If the Applicant desires for the Cooperative to make changes, and if the Cooperative agrees to make such changes, the Applicant shall pay any additional cost. Any other fees, charges and associated line extension costs will be applicable as set forth in these Terms and Conditions.
4. The Cooperative shall not be required to make any electric line extension until the Applicant to be supplied from such line extension has signed all applications and/or agreements and fulfilled such other conditions for the connection of electricity as may be required by the Cooperative and other regulatory authorities, and until all permanent premises to be supplied have been wired and made ready for service.
5. It shall be the Applicant's responsibility to secure and/or otherwise provide, at no cost to the Cooperative, a right-of-way easement acceptable to the Cooperative. Where desirable or necessary, the Cooperative may assist in the right-of-way easement acquisition process at the Applicant's expense.
6. The Applicant shall be responsible for the initial cost of clearing the rights-of-way and/or trimming trees along the route of the proposed facilities.
7. The Cooperative will provide one engineering design and cost estimate for line extension at no cost, provided the Applicant owns the property and has acquired a building permit for construction of a dwelling. If the Applicant requests additional design estimates and the Cooperative agrees, they will be provided at the Applicant's expense.
8. The Applicant shall be responsible for all damage to the Cooperative's facilities by the Applicant and/or by the Applicants' contractors or sub-contractors.

9. The Applicant will be required to locate and mark all necessary property lines and corners so the Cooperative can be assured of being within its right-of-way.
10. The Applicant will be required to meet a representative of the Cooperative to perform an engineering on-site design and locate all water lines, well, septic systems, sewer, gas, electric, and other private underground facilities on the property that may be in conflict with the construction plan. The Applicant will be required to mark or expose these facilities and pay, as a contribution in aid of construction, the cost of crossing facilities that have not been exposed. The Cooperative and/or its contractors will not be responsible for any damage to private facilities that have not been accurately located and marked or exposed prior to construction.
11. The Applicant shall be required to backfill excavations around the footings, foundation, and walls that conflict with the location of the proposed electric facilities.
12. The Cooperative may require access conduits underneath driveways, sidewalks, patios, porches, decks, etc. At the Cooperative's option, an entire conduit system may be required. The installed cost of the conduit will be included in the underground charges.
13. The Cooperative shall not be liable for any damages to the Applicant/Owner's premises that could be incurred if the underground cable should ever need repair or replacement.
14. The Applicant shall be required to grade the right-of-way to within (+/-) six inches (6") of final grade prior to construction. Where the grade changes after the Cooperative's underground facilities have been installed, and which in the sole discretion of the Cooperative results in an unsafe condition, the Applicant shall bear the entire cost of removal and re-installation of these facilities to comply with all underground installation specifications.
16. The Cooperative requires fees and charges and/or a contribution in aid of construction be paid prior to construction.

B. Residential

All fees, charges, associated costs, and conditions for the line extensions and services will be applicable as stated previously in these Terms and Conditions and under the following conditions:

1. Where the Applicant requests service to a permanent residence the Cooperative shall invest capital up to \$2,585. If the cost of extending service exceeds the capital allowance, the Applicant shall pay a contribution in aid of construction equal to the amount exceeding the capital allowance, subject to the following limitation: an Applicant's contribution in aid of construction for an overhead residential line extension shall be subject to a cap. Whenever the cost of constructing a residential Applicant's overhead line extension will exceed \$10,000, the Applicant shall be responsible for the difference

between the Cooperative's capital investment of \$2,585 and the \$10,000 cap (*i.e.*, \$7,415).

A permanent residence is defined as a single family residential dwelling that contains a kitchen, sleeping quarters, and sanitary health facilities and for which the local government's building official has issued a residential building permit.

2. When considering services of these types, the cost of extending service shall include all costs associated with connecting the new service to the existing distribution system.
3. To enable the Cooperative to draw an accurate easement plat, the Applicant shall provide an approved site plan that shows the proposed location of the house, the meter, well, water lines, septic systems, sewer, gas, electric, drain field and reserve areas, and other private underground facilities.

C. Commercial or Non-Residential

All fees, charges, associated costs, and conditions for the line extensions and services will be applicable as stated previously in these Terms and Conditions and under the following conditions:

1. Where the Applicant requests service to commercial or non-residential loads the Cooperative shall invest capital up to 2.5 times the estimated annual distribution delivery revenue. The Applicant shall provide the Cooperative a load letter estimating the sizes and types of loads to be served to assist the Cooperative in determining the estimated distribution delivery revenue allowance. If the cost of extending service exceeds the revenue allowance, the Applicant shall pay a contribution in aid of construction equal to the amount exceeding the revenue allowance. At the option of the Cooperative, the Applicant shall be required to execute a contractual agreement.
2. The Cooperative shall use its best judgment in determining the estimated distribution delivery revenue allowance which a new commercial or non-residential load is expected to produce. The Cooperative shall adjust the contribution in aid of construction (either additional contribution or refund) using actual distribution delivery revenue based on available records at the end of the 30-month period commencing with the in-service date of the new load.
3. When considering services of these types, the cost of extending service shall include all costs associated with connecting the new service to the existing distribution system.

D. Residential Subdivisions and Developments

All fees, charges, associated costs, and conditions for the line extensions and services will be applicable as stated previously in these Terms and Conditions and under the following conditions:

1. Residential subdivisions or developments must meet the following criteria:
 - a. The Applicant/Developer shall present to the Cooperative a plat of the subdivision, properly approved by the required county official(s), showing the date of approval and the book and page where recorded.
 - b. The subdivision must meet all provisions and ordinances established by the county in which the subdivision is located.
2. To enable the Cooperative to perform the engineering design, the Applicant/Developer shall provide to the Cooperative a final site plan showing property lines, setback restrictions, proposed house sites, public/private roads, water, sewer, and other supporting underground facilities.
3. The Applicant/Developer shall grant to the Cooperative an applicable width right-of-way easement parallel to all roads/streets and lot side lines on each lot satisfactory to the Cooperative prior to selling lots in the subdivision. The Applicant/Developer shall also grant to the Cooperative a right-of-way easement to all common use subdivision facilities and secure the necessary right-of-way easements along the proposed primary line extension route from the existing distribution facilities to the development.
4. The Applicant/Developer shall be responsible for the initial cost of right-of-way clearing and grading for the electrical facilities.
5. The Applicant/Developer shall be responsible for the cost of providing access conduits underneath roads and drainage culverts and other areas requested by the Cooperative. At the discretion of the Cooperative, the Developer may be allowed to install such conduits in accordance with Cooperative specifications and meeting the Cooperative's approval.
6. The Cooperative will provide the Applicant/Developer with one electrical facilities design and cost estimate to adequately supply electricity to lots and/or common use areas within the subdivision using the most efficient and overall cost effective methods. This design and cost estimate will be provided at no cost provided the Applicant/Developer has ownership of the property or meets the county criteria to apply for subdivision approval. If the Applicant/Developer requests additional design estimates and the Cooperative agrees, they will be provided at the Applicant/Developer's expense.
7. When an Applicant/Developer requests primary electric distribution facilities in a subdivision it will be necessary for the Applicant/Developer to pay a contribution in aid of construction equal to the total cost (labor, overhead and material) of installing the requested facilities. The total cost shall also include all costs associated with connecting the new subdivision to the existing distribution system.
8. When service is requested to a lot in a subdivision the Applicant/Developer will be required to pay all costs in excess of the Cooperative's capital allowance associated with connecting the new

service to the existing distribution system under the terms previously set forth in Section VI, B or C.

E. Line Relocations and Conversions

1. If a Customer/Property Owner requests that an existing line be relocated and the Cooperative agrees to the relocation, the Customer/Property Owner shall be required to pay a contribution in aid of construction up to the total cost to relocate the line.
2. If a Customer/Property Owner requests that an existing overhead primary line be converted to underground and the Cooperative agrees to the conversion, the Customer/Property Owner shall pay a contribution in aid of construction equal to the conversion cost. The conversion cost shall include the cost of the new underground construction less salvage value of reusable materials plus the cost of removing the overhead facilities.
3. If a Customer/Property Owner requests that an existing adequate overhead service be converted to underground and the Cooperative agrees to the conversion, the Customer/Property Owner shall pay a contribution in aid of construction equal to the conversion cost. The conversion cost shall include the cost of the new underground construction less salvage value of reusable materials plus the cost of removing the overhead facilities.
4. If a Customer/Property Owner requests that an existing service be upgraded and the Cooperative determines that the service is inadequate because of load changes and agrees to the upgrade, the Customer/Property Owner shall pay a contribution in aid of construction equal to the conversion cost. The conversion cost shall include the cost of the new construction less salvage value of reusable materials. The Cooperative will determine any additional upgrade credits, on a case by case basis. The additional upgrade credits will be based upon the expected increase in kilowatt-hour revenue the Cooperative estimates it may receive, the age of the existing service, and/or any benefit the Cooperative may realize in plant upgrades.
5. If a Customer/Property Owner requests that an existing underground service be relocated, the Customer/Property Owner shall pay a contribution in aid of construction equal to the cost to construct the new service less salvage value of reusable materials, plus the cost of removing the existing underground facilities, if applicable.

F. Service to Security, Roadway and Area Lights

Security lighting will be extended to residential and commercial Applicants under the applicable rate schedule in accordance with the following:

1. Where the security light service is provided upon an existing Cooperative owned structure, the Applicant shall be required to execute an agreement of not less than one year. The monthly charge for the light shall be based

on the applicable rate tariff. Early termination of this service will result in the Applicant being charged for the remaining term of the agreement at the applicable rate tariff.

2. An Applicant requesting security light service for a period less than one year must pay a contribution in aid of construction equal to the installation and removal costs less salvage value of reusable materials. In this case, a written agreement will be executed between the Cooperative and the Applicant, detailing the cost of the security light service and the length of time that service will be installed. The monthly charge for the light shall be based on the applicable rate tariff.
3. Where the security light service requires the installation of additional facilities, the Applicant shall pay a contribution in aid of construction equal to the total cost (labor, overhead and material) of installing the additional facilities. The Applicant shall be required to execute an agreement of not less than one year. The monthly charge for the light shall be based on the applicable rate tariff. Early termination of this service will result in the Applicant being charged for the remaining term of the agreement at the applicable rate tariff.

G. Excess Facilities

Whenever an Applicant requests service or equipment which results in the use of equipment or facilities in excess of those which the Cooperative would normally provide, and the Cooperative finds it practical, such may be provided in accordance with the Cooperative's filed EXCESS FACILITIES – SCHEDULE EF.

H. Special Services of Short Duration

For any connection that will require service for only a short duration of time, the Applicant will be required to pay a contribution in aid of construction equal to the installation and removal costs less salvage value of reusable materials as determined by the Cooperative.

I. Temporary Construction Service

1. Service of this type will be furnished to the property during the construction phase.
2. For overhead service, the Applicant shall provide a temporary structure suitable for the mechanical load of the conductors with proper clearances according to NESC (National Electrical Safety Code) and NEC (National Electrical Code). For underground service, the Cooperative shall provide a temporary pedestal. The Applicant shall acquire approval from the local building/inspection authority prior to the Cooperative energizing service.
3. Where the facilities necessary for this temporary construction will become part of the permanent extension, the cost of said extension shall be as set

forth in Section VI, A, B, and C.; however, the Applicant must pay a temporary connection fee as set forth in Schedule F.

4. When the construction necessary requires no more than seventy five (75) feet of aerial cable for installing a single span three-wire service from an existing pole, the Applicant must pay a temporary connection fee as set forth in Schedule F. When special construction is required which will not become part of the permanent connection, the Applicant shall pay a contribution in aid of construction equal to the installation and removal costs less salvage value of reusable materials.
5. When underground service is required, the Cooperative will place a temporary pedestal beside an existing padmount transformer, and the Applicant must pay a temporary connection fee as set forth in Schedule F.

VII. BILLING AND PAYMENT FOR SERVICE

A. Billing Procedures

For those Customers receiving bills, the Cooperative will render monthly bills according to the Cooperative's billing cycles. Bills will be computed using metered energy and power consumption based on applicable rates and fees on file and approved by the Commission. The Cooperative will prorate the bill when a Customer's service starts or is terminated.

B. Meter Readings

The rates of the Cooperative for electric service are based on the condition that monthly meter readings shall be obtained. In the event a valid meter reading is not obtained prior to computing a bill, the Cooperative will use an estimated meter reading. An estimated meter reading will be used no more than two (2) consecutive billing periods.

In the event that the meter has failed and no valid meter reading is obtained, an estimated bill will be generated by the Cooperative using the best available information. The Cooperative may adjust estimated bills when actual information becomes available upon which to base the adjustment.

C. Terms of Payment/Collection

Bills will be due when presented. They shall be considered as presented when deposited in the United States mail for delivery or when otherwise delivered by the Cooperative to the address of the Customer. A bill shall become overdue if unpaid on the 25th day following the day it has been presented. If payment has not been received by the late payment date, a one and one half percent (1-1/2%) penalty per month will be applied on the outstanding balance less local government utility taxes. If it remains unpaid at the time the succeeding bill is delivered, a notice of intent to disconnect service shall be served upon the Customer, giving at least ten days prior

notice. If the bill remains unpaid at the end of such ten-day notice, electric service to the premise of the Customer shall be subject to disconnection without further notice.

The Cooperative reserves the right to apply any payment or payments made in whole or in part to any account due the Cooperative by the Customer unless the Customer has instructed otherwise. However, the Cooperative may apply any payments in excess of the account specified to other accounts due the Cooperative by the Customer.

Bills, for which payment is returned for insufficient funds, inaccurate bank account information, stop payment action, or otherwise lawfully not honored by the institution upon which the payment is drawn, shall be considered as unpaid and electric service to the premise of the Customer shall be subject to disconnection or such other penalties as prescribed by the Cooperative's Terms and Conditions of Service in the same manner as if no offer of payment had been made. A Returned Payment Processing Fee, as per Schedule F - Fees, Item E, shall be imposed and collected for every payment returned or refused. Receipt by the Cooperative of two (2) or more payments on a Customer's account, in any twelve (12) month period, which are returned or refused, shall be reason for the requirement of payment of all the Customer's accounts due the Cooperative by cash or equivalent.

Whenever the Cooperative sends personnel to the Customer's location of service in an attempt to collect payment for an overdue bill, a fee will be charged in accordance with Schedule F-Fees.

If the service is disconnected the Customer must pay all outstanding balances plus all applicable fees and/or arrange for applicable deposit before service will be restored.

Upon disconnection of service for any reason, the Customer shall be sent a final bill showing the outstanding amount owed after deducting all applicable credits. If the debt is not paid within 30 days additional charges may be incurred. The debtor will be responsible for all costs in collection of the debt incurred by the Cooperative including but not limited to legal fees and collection agency charges.

D. Budget Billing/Levelized Plan

A budget billing/levelized plan will be available for permanent residential customers who have been receiving electric distribution service from the Cooperative for at least a year and have a good credit history upon execution of an Application and Agreement for Budget Billing/Levelized Plan.

The Cooperative will determine the monthly budget billing/levelized plan payment amount based on the Customer's average usage for the current month and the preceding 11-month period.

If the Customer fails to make a budget billing/levelized plan payment by the due date, a late payment penalty will be assessed and collection efforts initiated as with any other account. Should a budget billing/levelized plan

account be delinquent at any time, the agreement will be canceled, and the account will return to the regular billing program.

E. Multiple Services

When a residential service and one or more additional services used for residential or commercial purposes are so arranged that the complete service can be billed through one meter, the Customer may, at the Customer's option, instead of separate meters, obtain service at the Small Commercial Rate.

Where the Cooperative has reason to believe that a Customer has multiple services connected as described above to one meter and is being billed under the Residential Rate, the Customer, upon thirty days written notice from the Cooperative, shall apply for separate meters for the additional services or the service shall be placed under the Small Commercial Rate.

VIII. DISCONTINUANCE OF ELECTRIC DISTRIBUTION SERVICES

The Cooperative reserves the right to discontinue furnishing electric distribution service to a Customer, irrespective of any claims pending against the Cooperative, upon the occurrence of any one or more of the following events:

A. At Any Time Without Notice

1. Whenever, in the Cooperative's opinion, the conditions of the Customer's wiring, equipment and appliances are either unsafe or unsuitable for receiving electricity, or when the Customer's use of electricity or equipment interfere with, or in the opinion of the Cooperative may be detrimental to the supply of electricity by the Cooperative to any other Customer.
2. Whenever the Cooperative, in its opinion, has reasonable cause to believe that a Customer is, or has been, receiving electric distribution service without paying therefore, or that the Customer in any manner interferes with the proper metering of such electric distribution service, the Customer will pay for any costs incurred by the Cooperative as a result of such actions by the Customer.
3. Whenever emergency repairs or alterations are required.
4. Whenever there are unavoidable shortages or interruptions in the Cooperative's source of supply or other cases of emergency.
5. Whenever ordered by authorities having jurisdiction.

B. With 10-day Written Notice

1. For failure to comply with the Terms and Conditions of Service of the Cooperative.

2. In any case of any misrepresentation by the Customer to the Cooperative (such as falsifying information on the Membership Application).
3. For failure to pay bills for electric services provided by the Cooperative.
4. For failure to pay any required deposit.
5. For failure to comply with the terms of any payment agreement, contract, or Agreement for the Purchase of Electric Distribution Service.
6. Whenever the Customer has refused to provide unrestricted access to the Cooperative's meters, wires, facilities or other apparatus installed on the Customer's premises.
7. For failure to correct any safety hazard having to do with electric service, judged by the Cooperative to be serious, but not life threatening.
8. For failure to correct violations of the National Electrical Safety Code and the American National Standard Code for Electricity Metering caused by changes in the structure or grade.

Notice of discontinuance shall be considered to be given to a Customer when a copy of such notice is left with the Customer, or left at the premises where the Customer's bill is rendered, posted in the United States mail, or sent to the Customer's last Post Office address shown on the records of the Cooperative.

C. At Customer's Request

The supply of electricity will be disconnected to any Customer within a reasonable time after receipt of such request from the Customer to the Cooperative. Request for disconnection of service does not relieve the Customer of their obligation to the Cooperative.

In all cases where the supply of electricity is discontinued by reason of the Customer's negligence or violation of any of the Cooperative's Terms and Conditions as filed with the Commission, or of any of the conditions or obligations of any agreement with the Cooperative, there shall then become due and payable, in addition to the bills in default, an amount equal to the remaining monthly charges for the unexpired term of the agreement, not as penalty, but in lieu of the income reasonably to be expected during the unexpired term of the agreement.

IX. RECONNECTION OF ELECTRIC DISTRIBUTION SERVICE

A. Compliance with Terms and Conditions

If the electric distribution service has been discontinued for any of the reasons covered by Section VIII (Discontinuance of the Electric Distribution Service), the Customer shall comply with all Terms and Conditions of Service before the service is reconnected.

The Cooperative shall have a reasonable period of time in which to reconnect the Customer after the Customer has corrected all unsatisfactory conditions, or events which caused the disconnection have been resolved. Reconnects will only be performed from 8:00 AM to 7:00 PM on Business Days.

B. Settlement of Charges and Fees

1. Any service disconnected for nonpayment normally shall not be reconnected until full payment is received for:
 - a. All obligations to date;
 - b. A Reconnection Charge and/or applicable fees; and
 - c. Any required deposits.
2. When a Customer's service has been disconnected for the Customer's convenience, there shall be a reconnection charge as per Schedule F – Fees.
3. The Cooperative will only accept cash payments at its office or a designated and approved payment location. Cooperative employees will not accept cash payments at the Customer's location.

C. Meter Tampering, Current Diversion or Unauthorized Reconnection

The Cooperative may pursue any criminal complaint procedure available under the law. Before reconnection of any service disconnected for meter tampering, current diversion, or unauthorized reconnection of service, the Customer normally must comply with the following conditions:

1. Pay for all damages to Cooperative equipment resulting from the tampering and/or damages and provide sufficient deposit to cover future tampering or damage.
2. Pay an amount estimated to be sufficient to cover service used or service received.
3. Pay the Reconnection Charge, if applicable.
4. Pay any other required deposits as identified in Section IV, B.
5. Pay a fee to cover the cost of testing the meter in accordance with Schedule F - Fees.
6. Pay the actual cost of the expenses experienced as a result of the improper use or tampering.
7. Make any changes in wiring or equipment which, in the opinion of the Cooperative, may be necessary for the protection of the Cooperative.

X. ELECTRIC SERVICE CHARACTERISTICS

A. Quality and Continuity of Service

The quality of service supplied by the Cooperative shall be in accordance with the accepted standards of the electric utility industry. The Cooperative shall endeavor to provide continuity of electric distribution service as outlined in Section V.G.

B. Voltage

The Cooperative's standard voltage shall be 120/240 volts, 60 cycles, single-phase alternating current. Other voltages may be furnished by special arrangements with the Cooperative and at the option of the Cooperative. The Cooperative will endeavor to maintain the voltage within 7.5% above or below the standard voltage at the termination point of the Cooperative's service conductors on the Customer's premise. Variations in voltage in excess of that specified caused by the action of the elements, the nature of the Customer's equipment, or acts of God, or any other reasons beyond the reasonable control of the Cooperative, shall not be considered as violations of these permissible variations.

XI. METERS AND METERING

A. Ownership and Location

Meters and metering equipment used to measure the energy delivered from the facilities of the Cooperative to the Customer's premise will be installed and owned by the Cooperative. Meters shall be located no less than forty eight inches (48") and no higher than seventy two inches (72") above finished grade or surface and on the exterior of the building. The location of the meter and the point at which the Cooperative's supply lines terminate on the building of the Customer shall be designated by the Cooperative. The Cooperative shall furnish one meter base per service location, which shall be installed by the Customer as a part of the service entrance. Additional meter bases will be furnished at cost to the Customer or their agent. No part of the service entrance shall be concealed before entering the meter base. The Cooperative shall have clear and unrestricted access to its metering equipment. There are exceptions to this location with respect to certain large power Customers utilizing different metering equipment.

B. Periodic Testing

Periodic tests of meters used to measure energy delivered to Customer will be made in compliance with The American National Standards Institute (ANSI). A more frequent periodic testing schedule may be instituted if deemed necessary by the Cooperative.

C. Tests Requested by Customer

Upon request by a Customer, the Cooperative shall test their meter provided that tests need not be made more frequently than once in 24 months. If testing of a meter is required by the Customer to be made more frequently than once in 24 months, the Cooperative shall require a charge in accordance with Schedule F - Fees. This charge is refundable only if the percentage registration of the meter is less than 98% or exceeds 102%.

D. Meter Inaccuracy

If a meter used to measure electric energy delivered to a Customer's premise is tested and found to be inaccurate by an amount in excess of two percent, whether or not the inaccuracy is in the Customer's favor or disfavor, the Customer or the Cooperative may require that an adjustment to the bills be made. All adjustments due to meter inaccuracies will be in accordance with the condition of the meter as it was found when tested.

If there is an event from which the Cooperative is certain that the meter inaccuracy is deemed to have begun, the adjustment to the bills may be made back to the time of that event or as limited per current state statute. If no such event is apparent, then bills may be adjusted for the preceding period not to exceed 12 months. The effect of the adjustment will be rendered to the Customer as an appropriate credit or debit entry on his subsequent statement for electric service.

E. Meter Failure

If the Cooperative finds that a meter is not registering, the Cooperative will use the best available information to estimate the monthly consumption of power and energy.

F. Demand and Power Factor Metering

With respect to measurement of demand or power factor, the Cooperative shall have the right to make such measurements by test at any time and to install meters permanently to determine demand and power factor to be used in billing.

XII. RESERVED

XIII. CUSTOMER COMPLAINT PROCEDURE

The Cooperative exists to serve its Customers and its policies are designed to provide the best service to the most Customers at the least practical cost.

Customers shall be advised annually and upon request of the existence of an established Customer Complaint Procedure that will include the local and toll free telephone numbers of the Cooperative by which they may make inquiries or register complaints. The complete procedure is on file at the Cooperative office. The same information will be furnished to each new Member with the new Member packet.

The Cooperative will maintain local and toll free telephone answering systems which will give Customers access to a Cooperative agent at all hours to report power outages and other emergency situations.

Designated personnel shall be available to receive inquiries from Customers who may request personal consultation at all times that the business office is open to the public.

XIV. DEMAND RESPONSE

For those Customers who allow the Cooperative to install a load management switch on their water heater, the Cooperative will perform minor repairs to their water heater at no direct cost to the Customer as long as the switch remains at the location, and the Cooperative continues to manage water heater load for wholesale power cost reduction. The minor repairs shall include fuse replacement, thermostat replacement, reset replacement, and, where practical, element replacement. These repairs will only be performed when, in the judgment of Cooperative personnel, the mechanical condition of the water heater is such that repairs can be made without leaks being created, and when water heaters are accessible without the need for plumbing or carpentry services.

XV. RATES

Classification of Schedules

The Cooperative has the following rates available:

R-2-U	Residential Service
A-3-U-RA	Farm and Home Service – Retail Access
C-5-U	Church Service
C-3-U-RA	Church Service – Retail Access
GS-2-U	General Service
SP-3-U-RA	Small Commercial Service – Retail Access
LP-4-U	Large Power Service
LP-3-U-RA	Large Power Service – Retail Access

IS	Interruptible Service Rider
SL-4	Street, Highway and Homestead Lighting Service
G	Wholesale Power Cost Adjustment Clause
NEM-3	Net Energy Metering Rider
SIG-1	Small Generator Interconnections Other than Net Metering
EF	Excess Facilities
TD-1-U	Demand Time-of-Use Service
T-1-U	Non-Demand Time-of-Use Service

These rates are on file with, and have been approved by, the Virginia State Corporation Commission.

APPENDIX A

SCHEDULE F – FEES

Type of Fee or Service Charge	Amount
A. Temporary Service Fee	\$ 250.00
B. Reconnection Fee If the Actual Reconnection is Performed: 1. Business Days 8:00AM – 4:00PM 2. Business Days 4:00PM – 7:00 PM	\$ 80.00 \$ 120.00
C. Collection Fee	\$ 40.00
D. Connect Fee	\$ 40.00
E. Transfer Fee	\$ 20.00
F. Returned Payment Fee	\$ 40.00
G. Meter Testing Charge: 1. Single-phase meters 2. Polyphase meters	\$ 40.00 \$ 60.00
H. Trouble Call Fee for Customer's Problem 1. Business Day 8:00AM – 4:00PM 2. All other Hours or Days	\$ 80.00 \$ 200.00

APPENDIX B

Retail Access General Rules and Regulations

I. Purpose

To support Retail Access, it is necessary to supplement the Cooperative's existing Terms and Conditions. This Appendix B applies to Customers who elect to purchase electricity supply service from a competitive service provider, supplementing the terms and conditions described in the previous sections.

II. Applicability

This Appendix B states the Cooperative's Terms and Conditions for providing Retail Access. If a provision in the Cooperative's overall Terms and Conditions for Providing Electric Distribution Service conflicts with a provision in Appendix B, the provision in Appendix B will control with regard to those Customers who elect to purchase their energy from a competitive service provider.

III. Definitions

If a definition in Appendix B conflicts with a definition in the Cooperative's Terms and Conditions for Providing Electric Distribution Service, the definition in Appendix B will control with regard to those Customers who elect to purchase their energy from a competitive service provider. As used in Appendix B, the following words and phrases shall have the meaning provided:

Business day - any calendar day and computer-processing day in the Eastern United States time zone in which the general office of the Cooperative is open for business with the public.

Competitive energy service - the retail sale of electricity supply service or any other competitive service as provided by legislation or approved by the State Corporation Commission as part of retail access by an entity other than the Cooperative as a regulated utility, including such services provided to retail customers by aggregators.

Competitive service provider (CSP) - a person, licensed by the State Corporation Commission that sells or offers to sell a competitive energy service within the Commonwealth. This term includes affiliated competitive service providers and aggregators, but does not include a party that supplies electricity or natural gas, or both, exclusively for its own consumption or the consumption of one or more of its affiliates.

Competitive transition charge - the wires charge, as provided by § 56-583 of the Code of Virginia, that is applicable to a retail customer that chooses to procure electricity supply service from a competitive service provider.

Consolidated billing - the rendering of a single bill to a retail customer that includes the billing charges for electric services rendered by a competitive service provider and services provided by the Cooperative.

Cooperative - Northern Neck Electric Cooperative, an entity regulated by the State Corporation Commission that owns or controls the distribution facilities required for the transportation and delivery of electricity to retail customers.

Distribution service means the delivery of electricity through the distribution facilities of the Cooperative to a retail customer.

Electricity supply service means the generation, or generation and transmission, of electricity to the distribution facilities of the Cooperative on behalf of a retail customer.

Electronic Data Interchange (EDI) - the computer-to-computer exchange of business information using common standards for high volume electronic transactions.

Enrollment request - Electronic notification sent to the Cooperative from a competitive service provider that a customer has selected that competitive service provider for purposes of purchasing electricity supply service.

Regulated supply service - service made available to retail customers who (i) do not affirmatively select a supplier, (ii) are unable to obtain service from an alternative supplier, or (iii) have contracted with an alternative supplier who fails to perform. Such service is provided under regulated rates on file with the State Corporation Commission.

Separate billing - the rendering of separate bills to a retail customer for the billing charges of a competitive service provider, and for the billing charges of the Cooperative.

State Corporation Commission (Commission) - the State agency that has jurisdiction over the regulated portion of the electric utility industry and the rules and regulations applicable thereto for the Commonwealth of Virginia.

Virginia Electronic Data Transfer Working Group (VAEDT) - the group of representatives from electric and natural gas local distribution companies, competitive service providers, the staff of the State Corporation Commission, and the Office of Attorney General whose objective is to formulate guidelines and practices for the electronic exchange of information necessitated by retail access.

IV. Customer Information

For purposes of competitive retail access, the Commission now requires that upon becoming a Member and receiving service from the Cooperative, the Cooperative must include your Customer information on a list (referred to as a "Mass List of Customer Information") prepared by the Cooperative. The following paragraphs describe the list, how it is used, and your right to have your information withheld from the list:

- A. The Cooperative must provide the following Customer information for the mass list: (i) Customer name; (ii) service address; (iii) billing address; (iv) either an account number, a service delivery point, or universal identifier, as applicable; (v) meter reading date or cycle; (vi) wholesale delivery point, if applicable; (vii) rate class and subclass or rider, as applicable; (viii) load profile reference category, if not based on rate class; and (ix) up to twelve

months of cumulative historic energy usage and annual peak demand information as available.

- B. The Cooperative must provide, upon the request of a CSP, the mass list of eligible Customers. Prior to disclosing any information on the mass list, the Cooperative will provide each Customer the opportunity to have the information itemized in Appendix B: Section IV.A withheld, in total, from the mass list. The Cooperative shall update or replace the list at least every six months, and prior to each update, each Customer shall be provided an additional opportunity to reverse the prior decision regarding the disclosure of the information included on the mass list.
- C. Each CSP must safeguard all Customer information and shall not disclose such information unless the Customer authorizes disclosure or unless the information to be disclosed is already in the public domain. This provision, however, shall not restrict the disclosure of credit and payment information as currently permitted by federal and state statutes.
- D. The CSP must obtain Customer authorization prior to requesting any Customer usage information not included on the mass list from the Cooperative. A CSP shall provide evidence of such authorization that meets the standards for evidence of enrollment upon the request by the Customer or the State Corporation Commission.

V. Competitive Service Provider Registration and Certification

Customers may purchase electricity supply service only from licensed and registered CSPs. The State Corporation Commission will license CSPs to sell electricity supply services as provided in the Licensing section of the Rules Governing Retail Access to Competitive Energy Services, 20 VAC 5-312-40. In addition to Commission licensure, and prior to enrollment of Cooperative Members, all licensed CSPs must register with the Cooperative, as provided in 20 VAC 5-312-50, in order to provide energy services within the service territory of the Cooperative.

Customers may obtain a current list of licensed and registered CSPs from the Cooperative upon request. The list is also posted on the Cooperative's web site at www.nnec.com or www.nnec.coop. A registered CSP may be required to provide the Cooperative reasonable proof of financial security, and may be subject to non-emergency restrictions or disqualification as provided in the Cooperative's applicable tariffs.

VI. Customer Election to Purchase Energy From a CSP

A. Enrolling with a CSP

- 1. The Customer controls the choice of enrolling with a CSP. A licensed and registered CSP may enroll, or modify the services provided to, a Customer only after the Customer has affirmatively authorized such enrollment or modification. A CSP shall maintain adequate records allowing it to verify a Customer's enrollment authorization. All enrollment information will be

sent to the Cooperative by the CSP.

2. In the event multiple enrollments are submitted for a single Customer during the same enrollment period, the Cooperative shall process the first request submitted for the Customer and reject all other enrollments for the same enrollment period.
3. A CSP shall send a written contract to a Customer prior to, or contemporaneously with, sending the enrollment request to the Cooperative.
4. The CSP must submit an enrollment request to the Cooperative at least 15 days prior to the Customer's next scheduled meter reading date for service to be effective on that meter reading date.
5. If enrollments are received less than 15 days prior to the next scheduled meter reading date, the service shall be effective on the Customer's subsequent meter reading date.
6. Upon a Customer's request, a CSP may re-enroll such Customer at a new address under the existing contract, without acquiring new authorization records, if the CSP is licensed to provide service to the Customer's new address and is registered with the Cooperative.
7. The Customer has a limited right to cancel its enrollment with a CSP. The Cooperative shall, normally within one business day of receipt of enrollment request from a CSP, mail notification to the Customer advising of the enrollment request, the approximate date that the CSP's service commences, and the Customer's cancellation rights. The Customer shall have until the close of business on the tenth day following the mailing of such notification to advise the CSP or the Cooperative to cancel such enrollment without penalty, and the Customer will continue with the supplier of record.
8. A Customer with a single point of delivery is limited to purchasing competitive energy service from one CSP in any billing period.

B. Termination of Service

The Cooperative reserves the right to impose a minimum-stay requirement, in accordance with applicable rules and regulations of the Commission, on certain Customers who return to the Cooperative's regulated supply service after purchasing from a CSP. If a Customer with an annual peak demand of 500 kW or greater returns to regulated supply service, then such Customer will be obligated to remain on the Cooperative's regulated supply service for not less than twelve (12) months before such Customer will again be eligible to enroll to receive supply service from a CSP. Such Customers may be required to sign an agreement to purchase power.

1. By a CSP

- a. If a CSP terminates a Customer's contract for electricity supply service for any reason other than non-payment, the CSP shall provide written

notice of termination to the Customer at least 30 days prior to the date that service to the Customer is scheduled to terminate, and also shall notify the Cooperative by any means permitted under the VAEDT procedures and the EDI Trading Partner Agreement.

- b. A CSP shall send written notification to the Customer of termination for non-payment of electricity supply service at least 15 days prior to the date that service is scheduled to terminate.
- c. If the Cooperative is notified by a CSP that the CSP will terminate service to a Customer, the Cooperative shall send written notification to the Customer, normally within five business days, that it was so informed and describe the Customer's opportunity to select a new supplier. The Cooperative shall also inform the affected Customer that if the Customer does not select another CSP, the Cooperative shall provide the Customer's electricity supply service.
- d. If a CSP decides to terminate service to a Customer class or to abandon service within the Commonwealth, the CSP shall provide at least 60 days advanced written notice to the Cooperative, to the affected Customers, and to the State Corporation Commission. Individual Customer notification, as described in c, above, is not required in the case of termination of service to a Customer class.
- e. If the Cooperative issues a final bill to a Customer, the Cooperative shall notify the Customer's CSP.

2. By a Customer

- a. A Customer may terminate service with a CSP by:
 - 1. enrolling with a new CSP in accordance with the processes described in Section VI;
 - 2. contacting the current CSP to request cancellation; or
 - 3. contacting the Cooperative to request cancellation.
- b. Customer requests to the Cooperative to cancel CSP supply service may be made via telephone, letter, facsimile, e-mail, or in person.
- c. Customers who request cancellation will be notified of their options of selecting another CSP or affirmatively selecting to receive supply service from the Cooperative.
- d. Cancellations will be effective upon the next scheduled meter reading. Requests for cancellation must be received at least 15 days prior to the next regularly scheduled meter reading. Requests received less than 15 days prior to the next meter reading will become effective with the subsequent meter reading.
- e. Any contract provisions related to Customer termination of CSP supply service are the responsibility of the Customer and CSP.

VII. Metering and Meter Services

A. General

The Cooperative will retain responsibility for all metering and meter services in accordance with its currently filed Terms and Conditions for Providing Electric Distribution Service.

B. Metering Equipment

The Customer may choose to use standard metering services or pay additional fees and costs to have the Cooperative provide advanced metering services. In either case, the Cooperative will own the meter used for measuring and billing the Customer for its energy and/or demand consumption. The type of advanced metering configuration will be determined by the Cooperative. The Cooperative is responsible for the installation and removal of all metering. A Customer choosing advanced metering will be required, where applicable, to provide telephone service for the Cooperative to retrieve data.

C. Incorrect Metering

When service has been unmetered or incorrectly metered, regardless of cause, or when a meter is found to be in error more than two percent, fast or slow, the Cooperative will adjust its portion of the bill for a period not to exceed the criteria noted in NNEC's Terms and Conditions, Section XI.B. The Cooperative will notify the CSP of any usage adjustments. The Cooperative's determination of the Customer's usage, whether based on actual or adjusted data, shall be accepted as final and binding on all parties.

D. Unmetered Service

No unmetered electricity supply services of any kind may be purchased from a CSP.

E. Special Meter Readings

1. If a special meter reading is requested in order to resolve a disputed meter reading and the Cooperative's reading is found to be incorrect, there will be no meter reading charge.
2. If a Customer's chosen CSP becomes incapable of fulfilling its obligation to supply electricity, the Cooperative will obtain an actual meter reading in order that final billings to the CSP's Customers can be adjusted to reflect services by the CSP.
3. The Cooperative shall perform special meter reading requests, as stated in Sections VII.E.1 and VII.E.2, as promptly as working conditions permit.

F. Adjustments to Meter Readings Not Due to Incorrect Meter Calibration

1. The Cooperative will investigate and correct, as necessary, the causes of incorrect or unexplained meter readings, and will solely determine if any adjustment is warranted.
2. If the Cooperative determines an adjustment is warranted, the Cooperative will solely determine the method to use in adjusting the Customer's demand and/or energy usage, and the amount of the adjustment.
3. The Cooperative's determination of the Customer's usage, whether based on actual or adjusted data, shall be accepted as final and binding on all parties.

G. Load Profiles

Load profiles are estimated representative electricity usage patterns of Customers. Load profiles are developed by rate classes. Each Customer will be assigned to a rate class or a load profile reference category. A Customer's load profile will be provided to its CSP; each load profile may be used by the CSP at its own risk. Due to the sensitive nature of the information, the usage and load profile of large commercial and industrial Customers that have interval metering will not be posted on the Internet by the Cooperative, but will be made available to Customers or authorized CSPs (that have and can present the required customer authorization) by other appropriate, cost-effective electronic media.

VIII. Customer Billing

A. Billing and Payment for Service

For Customers utilizing a CSP, a consolidated bill or separate billing for distribution service and CSP service, if available, may be selected.

1. Consolidated Bill -A consolidated bill will be rendered by the Cooperative and will provide all charges for electric services provided by the Cooperative and all charges for services provided by a CSP. Payment of a consolidated bill shall be made to the Cooperative and will be applied in the following order:
 - a. to regulated service arrearages owed the Cooperative;
 - b. to competitive energy service arrearages owed the current CSP;
 - c. to regulated current charges of the Cooperative;
 - d. to competitive energy service current charges of the CSP; and
 - e. to other charges.

This payment hierarchy shall be used unless the Customer designates assignment of payment otherwise. Collections of state and local utility taxes shall be remitted as required by law.

2. Separate Bills -Both the Cooperative and the CSP may render separate bills for its individual charges. Payment of charges billed by the Cooperative shall be payable to the Cooperative and the Cooperative will have no responsibility for the charges of the CSP except for the provision of meter data.

Collections of state and local utility taxes shall be remitted as required by law.

3. Delinquent Bills -The Cooperative and the CSP will each be responsible for the communication, notification and collection of its portion of delinquent bills from any Customer.

B. Deposits

The Cooperative may require a Customer to deposit with it initially, and from time to time, as a guarantee of payment for services provided by the Cooperative, such amount as, in the Cooperative's judgment, will secure it from loss, following the guidelines in NNEC's Terms and Conditions, Section IV.B.

1. Customers Choosing to Purchase Electricity Supply Service from a CSP

If a Customer enrolls with a CSP and the Cooperative is holding a deposit from said Customer, the Cooperative will recalculate the amount of deposit required, based on all regulated utility services being purchased from the Cooperative at that time, and will return any excess deposit to the Customer by way of a credit to the Customer's bill.

2. Return of Customer from a CSP to the Cooperative

At such time that a Customer returns to the Cooperative's electricity supply service from a CSP, the Cooperative may require an additional deposit from the Customer based on all utility services being purchased from the Cooperative at that time, following the guidelines in NNEC's Terms and Conditions, Section IV.B.

C. Budget Billing/Levelized Plan

Customers who are currently on the Cooperative's Budget Billing/Levelized Plan must either bring their account balance to zero or make payment arrangements in order to satisfy any debit amounts at the time of enrollment with a CSP.

The Cooperative's Budget Billing/Levelized Plan for services obtained from the Cooperative will continue to be available to qualified Customers acquiring energy services from a CSP.

IX. Disconnection of Service

The Cooperative will perform all disconnection of services for non-payment in accordance with of the existing Terms and Conditions for Providing Electric Distribution Service. The Cooperative will notify a CSP of the disconnection of

any of the CSP's Customers in accordance with VAEDT Standards. The Cooperative will not disconnect for non-payment of CSP Charges. The Cooperative will notify a CSP upon reconnection of the CSP's Customer who has been disconnected for nonpayment of Cooperative charges.

X. Dispute Resolution

In the event of a dispute between the Cooperative and a Customer, the Cooperative and the Customer shall attempt to resolve such dispute by mutual agreement. The Customer or Cooperative may file a complaint with the Commission if the parties are not able to resolve the dispute. When a Customer has an issue to resolve with the Cooperative, said Customer should follow the procedures outlined in Section XIII. in the Terms and Conditions for Providing Electric Distribution Service. The Cooperative and the Customer shall use good faith and reasonable efforts to informally resolve the issue.

When a Customer has an issue to resolve with a CSP, the Customer should contact that CSP to resolve the issue. If the Customer contacts the Cooperative, the Cooperative will make every effort to assist them in developing possible solutions. However, the Cooperative is under no obligation to resolve disputes between a Customer and a CSP. If the Customer wishes to file a formal complaint to resolve a dispute involving a CSP, it may do so through the procedures established by the State Corporation Commission.